FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 27,891 Saturday June 16 1979 **15p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 16; BELGIUM Fr 25; DENMARK Kr 3.6; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 600; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 25; SPAIN Pta 50; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 20p

NEWS SUMMARY

GENERAL

Malaysia threat to ship out refugees

Malaysia intends to ship out to sea the 70,000 Vietnamese refugees camped along its coast and will shoot on sight any more trying to land, said deputy Premier Datuk Mahathir.

He said the deportations would start immediately and would proceed as fast as boats could be built to carry the refugees. The "shoot on sight" legislation would be enacted as soon as possible.

"If they try sinking their boats they will not be rescued, they will drown," he said. Page 2

Brezhnev and Carter meet

President Carter and President Brezhnev met for the first time yesterday at the start of their four-day summit in Vienna.

Brezhnev is expected to make another attempt to break the deadlock in the European troop reduction talks during his meetings with the U.S. President. Page 2

Thorpe case not made out—QC

The Crown case in the Jeremy Thorpe trial was not made out, said Thorpe's counsel, George Carman, QC. "Let this prosecution fold its tent and quietly creep away."

Mr. Justice Cantley will start his summing up at the Old Bailey on Monday, and the verdict of the nine men and three women jurors is expected mid-week. Thorpe and three other men plead not guilty to conspiring to murder former male model Norman Scott.

Goldsmith wins libel fight

Millionaire financier Sir James Goldsmith did not libel or slander World in Action television reporter Michael Gillard when he referred to him as a blackmailer, a High Court jury held.

Sir James's defence was that the allegation of blackmail was true. Mr. Gillard was ordered to pay the estimated £12,000 cost of the five-day action.

Tube strike off

Threat of London Underground strike on Monday was lifted when the executive of the National Union of Railwaymen agreed to refer a pay dispute to arbitration. Page 4

Taxi fares up

London taxi fares are to rise by an average of 29 per cent from July 22, the first increase since December, 1977. Page 3

Slater appeal

The High Court turned down an application by Jim Slater, former chairman of Slater Walker Securities, to appeal to the House of Lords against a previous ruling that he was guilty of offences under the Companies Act involving £4m. Page 3

Rail service hit

British Rail took a fleet of 58 electric locomotives out of service for safety checks after a wheel fault was found in six of them. Services between London Euston and Birmingham were halved. The checks are expected to be finished this morning.

Briefly . . .

Lord Boothby, aged 79, was said to be "stable" in hospital after a fall. He is thought to have broken a leg.

Two raiders with hand guns grabbed travellers cheques worth £50,300 in an attack on a security guard delivering to Thomas Cook's in Gracechurch Street, London.

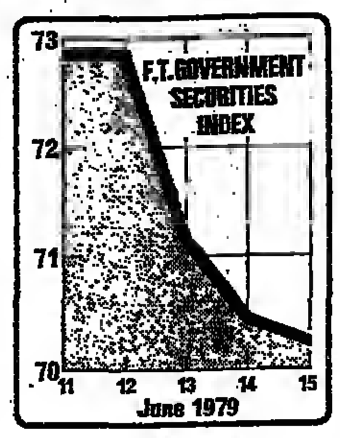
Three men drowned when their fishing boat capsized off the east coast of Scotland.

BUSINESS

Equities rise 4.3; Pound up 1.07c

● EQUITIES reversed their downward trend, and end-of-account book-squaring benefited leading shares. The FT ordinary index closed 4.3 up at 478.5, making a fall of 24.7 on the week.

● GILTS closed mixed with the



Government Securities index 0.20 down at 70.24.

● STERLING closed 1.07 cents up at $2.1065 against a weakened dollar. The pound's trade-weighted index was unchanged at 68.2 but the dollar's fell from 86.3 to 86.4.

● GOLD rose $1¼ to $280½ in London and in New York the Comex June settlement price was $279.80 ($277.70).

● TOKYO shares closed sharply higher with the Nikkei Dow average 43.40 up at 6,143.94.

● WALL STREET closed 0.55 up at 843.30.

● U.S. FEDERAL Reserve Board member, Mr. Henry Wallich, has said that the Euromarket poses a mounting threat to the monetary policies of the major industrialised countries, and has urged tighter controls. Back Page

● CROWN AGENTS dealings in secondary banking and property will cost the British taxpayer about £140m, according to the senior crown agent, Mr. Sidney Eburne. Page 4

● EXXON chairman has warned that the group would be unable to supply 14 per cent of its customers' needs this year, unless the OPEC countries could be persuaded to increase production. Page 2

● SINCLAIR RADIONICS, the pocket television company controlled by the NEB, is to seek a large capital injection to produce a flat screen TV set. Back Page

● CHEMICAL industry pay negotiations with process workers have broken down after employers refused to make any substantial improvement to their 14½ per cent offer. Many chemical companies now face industrial action. Back Page

● MIDLAND BANK computer staff are being balloted by the Banking, Insurance and Finance Union on a series of official one-day strikes over pay. Page 4

COMPANIES

● ARTHUR GUINNESS pre-tax profits rose from £14.3m to £23.1m in the 24 weeks to March 17, and the company is to increase its interim dividend by 15 per cent. Page 22 and Lex

● COMBINED English Stores is to make a one-for-five rights issue to raise £4m, following a recently approved one-for-one scrip. Page 22

● PILKINGTON Brothers, the glassmaker and processor, reports pre-tax profits for the year to March 31 of £90.3m (£71.7m) in spite of a second-half slowdown caused by the haulage strike. Page 22 and Lex

● UKO Intl pre-tax profits for the year to March 31 were little changed at £3.36m (£3.31m) on turnover up from £39.8m to £45.6m. Page 22

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas. 14pc 1982	£102¾	+ ¼
Averys	260	+ 6
Barclays Bank	448	+ 8
Debenhams	87	+ 4
English China Cls.	89	+ 5
Elsons	254	+ 5
GEC	362	+ 6
Great Portland Ets.	298	+ 12
GUS A	368	+ 10
Guinness	191	+ 10
Hanson Trust	167	+ 10
House of Fraser	180	+ 12
Ladbroke	282	+ 6
Pilkington	323	+ 8
Stylo Shoes	142	+ 9
Tate & Lyle	150	+ 6
Oil Exploration	272	+ 18
Ultramar	296	+ 8
Kloof Gold	715	+ 21
Vaal Reefs	£17½	+ ½

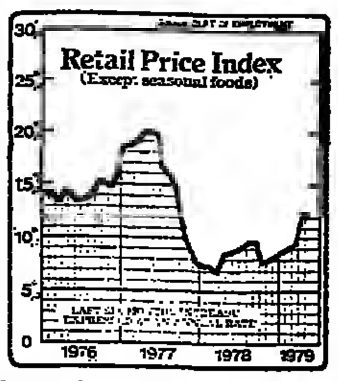
FALLS

Treas. 15½pc 1998	£118½	− 1⅞
Burnett and Hallamshire	375	− 13
Combined English Stores	123	− 5
Hall (Matthew)	265	− 10
Kitchen (R.) (Taylor)	164	− 11
Pressac	100	− 6
Peko-Wallsend	278	− 12
Sungei Besi	265	− 10

Retail price index up 10.3% before Budget increases

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The underlying rate of retail price inflation has been rising steadily in recent months, well before the post-election round of price increases, let alone the impact of the Budget, have had time to work through.



Department of Employment figures published yesterday show that the retail prices index rose by 10.3 per cent to 215.9 (January 1974=100) in the year to mid-May, compared with an increase of 10.1 per cent in the 12 months to mid-April. This is the seventh month running in which the 12-month rate has risen.

The Budget proposals, especially the sharp rise in value-added tax, are expected to add about 4 per cent to retail prices. The impact will be reflected almost entirely in the July index, due to be published in mid-August.

The Treasury has forecast that the 12-month rate will be up to 16 per cent by the late summer and to 17½ per cent by November. This may not be the peak, especially if local authorities and public corporations respond to public-spending cuts by raising rates and charges.

The projections take account of the impact on food prices of the proposed devaluation of the EEC green pound, but not of the small impact on the cost of living of a possible rise in the mortgage rate later in the summer.

Treasury Ministers believe that the 12-month rate should remain below 20 per cent. The Treasury has projected a slowing in the 12-month rate to 13½ per cent by late summer 1980. Any acceleration in pay awards would anyway not begin to affect prices until next spring.

In a BBC radio interview yesterday Sir Geoffrey Howe, the Chancellor, stressed the "once-and-for-all" nature of the price rises resulting from the Budget.

"I think people do understand that it is a sensible and necessary consequence of making a break for a country with bigger opportunities. I think you will find that people will not be led astray by the union militants."

Even without the Budget measures, acceleration in inflation during the rest of 1979 would have been slightly higher than assumed by most forecasters a few months ago.

This is because of both the sharp rise in oil and other raw material prices and the unexpectedly large number of price increases held up before the election.

Consequently, even though the Government has been claiming that the Budget itself will leave the taxpayer better off, the rise in the rate of price inflation is likely to mean no growth, and possibly a slight fall, in living standards as measured by real disposable incomes.

The rise in the underlying trend of inflation is shown by the increased index for all items except seasonal foods over six months, but expressed at an annual rate. This stood at 12.2 per cent in mid-May, roughly the same as in the previous month, but compared with a rate of 8.6 per cent a year ago.

The all-items index rose by 0.8 per cent in the month to mid-May. This was mainly the result of rises in prices of foods such as meat and confectionery, petrol and other motoring costs, and rents and alcoholic drinks.

Industrial output recovers, Back Page.

Alitalia suspends plan to buy six DC 10-30s

BY PAUL BETTS IN ROME

ALITALIA, the Italian national airline, has effectively suspended its planned £148m purchase of six McDonnell Douglas DC 10-30s following the aircraft's grounding in the U.S. and fresh doubts about its safety, Sig. Umberto Nordio, Alitalia chairman, said yesterday.

Sig. Nordio claimed that he was not in a position to say whether Alitalia would eventually go through with the deal. "This will clearly depend on future developments," he said.

The airline signed an initial contract with McDonnell Douglas only last month to increase its DC-10 passenger and cargo fleet to 14 aircraft.

But Sig. Nordio said yesterday that the contract was subject to approval by both the Alitalia parent company, Istituto per la Ricostruzione Industriale, the giant state holding group, and the Italian Government.

Confirmation of the deal by IRI, which was due at the end of last month, has so far not come. Sig. Nordio also claimed it was highly unlikely the Italian Government would approve the purchase at this stage. The Italian Transport Ministry is due to take a decision on the deal by the end of this month.

Lynton McLain writes: Revised DC-10 maintenance plans which may lead to a resumption of flying by European operators later next week were discussed in Zurich yesterday.

The plans, drafted by British Caledonian Airways, Swissair and Alitalia, were put to other European DC-10 operators and airworthiness authorities. The move was in readiness for Monday afternoon's crucial meeting in Zurich between the airlines, air authorities, McDonnell Douglas, and the U.S. Federal Aviation Authority.

The talks will be preceded in the morning by a final meeting of the 18 European DC-10 operators aimed at hammering out the last points of the tighter, more intensive maintenance plan for the aircraft.

The afternoon forum will be an extraordinary meeting of the European Civil Aviation Conference. Two officials from the FAA will attend.

British Caledonian and other DC-10 operators hope the conference will endorse the revised maintenance proposals as more than adequate to ensure the safe operation of the aircraft. If endorsed, the plan would go to individual governments for final approval by national airworthiness authorities.

CBI and BL chiefs knighted

BY PHILIP RAWSTORNE

EIGHT OF the country's leading businessmen are knighted in the Queen's Birthday Honours today. A further 17 top industrialists are awarded the CBE, many of them for services to exports.

The industrial and commercial knights in the first honours list to be recommended by Mrs. Margaret Thatcher are led by Mr. John Greenborough, President of the Confederation of British Industry and deputy chairman of Shell UK.

Knighthoods also go to Mr. Michael Edwardes, chairman of BL, appointed by the Labour Government in 1977 to reorganise the ailing Leyland car group; Mr. Alex Jarratt, chairman and chief executive of Reed International and a former civil servant; and Mr. Robert Hunt, chairman and chief executive of the Dowty Group, which he joined as an apprentice.

The four other businessmen knighted are Mr. Gordon Hobday, chairman of Boots; Mr. Maurice Hodgson, chairman of Imperial Chemical Industries; Mr. Ronald Swayne, chairman of Overseas Containers; and Mr. Anthony Tuke, chairman of Barclays Bank.

Mr. John Davies, former Conservative Secretary for Trade and Industry, who recently retired from the Commons after a severe illness, is one of seven former Tory MPs who receive life peerages.

The other new political peers, balancing the number of former Labour MPs elevated in Mr. James Callaghan's resignation honours list, are Miss Betty Harvie Anderson, the first woman to preside over Commons proceedings as Deputy Chairman of Ways and Means; Mr. Joseph Godber, a former Agriculture Minister; Mr. Oscar Murton, former Deputy Speaker; Mr. Richard Wood, former Overseas Development Minister; Sir David Renton, former MP for Huntingdon, and Mr. David Gibson-Watt, former MP for Hereford.

On Mrs. Thatcher's personal recommendation, a life peerage also goes to Mrs. Diana Neave, widow of Mr. Airey Neave, the Tory Northern Ireland spokesman and close adviser to the

Continued on Back Page
Details, Page 4

£1.8bn in new Gilts stock issued

By Our Economics Correspondent

THE GOVERNMENT yesterday announced the issue of £1.8bn of gilt-edged stock in an attempt to finance its borrowing needs over the next couple of months.

The authorities want to take maximum advantage of the conditions created after the two-point rise in Minimum Lending Rate to 14 per cent on Tuesday, and the sale of more than £750m of gilt-edged stock on the following day.

There are two issues, £800m of 12 per cent Treasury 1984 and a further tranche of £1bn of 12¼ per cent Exchequer 1999. Both are being issued in a partly paid form and are offered for sale by tender. Applications must be submitted by 10 am next Thursday.

The size of the issues led to slight falls in some Gilt prices. There is still uncertainty about the appropriate level of short- and long-term interest rates.

The official view is that MLR should remain at its present level for the time being, until the rate of monetary growth has clearly come under control.

At last night's prices the 1984 issued looked rather expensive, though the 1999 stock was more in line with existing yields.

The minimum tender price on the 1984 issue is £97.50 per cent where the gross redemption yield is 12.67 per cent. A total of £50 per cent is payable on application and the balance is due on July 11.

Only £15 per cent has to be put up next Thursday on the 1999 issue, which could prove attractive to foreign investors if conditions look favourable next week.

A further £25 per cent is due on July 6, with the balance on August 8.

The minimum tender price is £95.50 per cent, where the gross redemption yield is 12.89 per cent.

Sterling strengthened against a generally weak dollar yesterday, rising 1.07 cents to $2.1065, its highest closing level since September 1975. The trade-weighted index was unchanged at 68.2.

£ in New York

—	June 15	Previous
Spot	$2.1100-1110	$2.0970-0980
1 month	0.65-0.60 dis	0.68-0.64 dis
3 months	1.66-1.61 dis	1.70-1.65 dis
12 months	4.60-4.50 dis	4.80-4.65 dis

Walker plans to devalue green pound

BY IVOR OWEN AND CHRISTOPHER PARKES

MR. PETER WALKER, Minister of Agriculture, yesterday announced plans to increase farmers' incomes and wipe out the competitive advantage the Danes, Dutch and Irish have been exploiting in the British bacon market. As a result, food prices in the shops will increase.

He also set the scene for a bitter confrontation with some of his European Community colleagues at his first formal meeting of the Council of Ministers in Luxembourg on Monday and Tuesday.

Mr. Walker told the Commons he would press in Luxembourg for a 5 per cent devaluation of the green pound to apply to all commodities in Britain with an extra 5 per cent to be applied for the benefit of the ailing pig industry alone.

Increase

The green pound is a notional exchange for sterling in which Community farm prices, set in European currency units, are translated into pounds.

While his plans would bring the total increase in support prices for most staple commodities from British farms to 10 per cent this year, the Minister also said that he would give "total support" to the European Commission's plans for a general freeze on farm prices in the Community as a whole.

To prevent the full impact of EEC food and farm prices from increasing inflation rates in the UK, the Labour administration deliberately allowed the green pound to become over-valued in relation to sterling proper.

As a consequence, farmers' real incomes suffered. At one stage the green pound was 30 per cent overvalued against sterling. Last year, according to Ministry figures, farmers' real incomes fell 11 per cent.

Now the green pound is only about 12 per cent overvalued, following the recent strengthening of sterling on foreign exchange markets.

If Mr. Walker succeeds in persuading the EEC Ministers to allow through his 5 per cent general devaluation, support prices for key products such as butter and cheese would be raised immediately.

The effect on consumer prices, when added to the impact of the 5 per cent adjustment of the green rate agreed earlier this year, would include a 6p a pound increase in the price of butter, and a similar rise in cheese prices.

Beef prices, already high and running into consumer resistance, would be unlikely to be much affected in the short term. Inevitably, however, [illegible] food prices would rise within a year.

The Ministry calculates that a 5 per cent adjustment will raise average food prices—and this figure includes the vast range of commodities not covered by the Common Agricultural Policy—by 1 per cent overall, and add 0.25 per cent to the retail price index.

Such a change would also halve the monetary compensatory amount import [illegible] on bacon from Community suppliers, and price increases of 2p a pound would follow.

With the extra devaluation for pigmeat alone, the whole MCA of £108 a tonne would disappear, and prices would tend to go up 4p a pound.

An Irish bacon [illegible] said that if the Ministers' plans were approved, the cut in the subsidies would "murder" the trade. The Danes commented that while they strongly opposed such radical adjustments, they would probably be able to cope with the difficulties better than other suppliers.

The National Farmers' Union, welcoming Mr. Walker's statement, said it still wanted a 10 per cent devaluation applied to all commodities.

"The union still believes firmly that following last year's decline in farm incomes, a 10 per cent devaluation is necessary. The severe winter, soaring energy costs and high interest rates have made this more necessary than ever," the union said.

Pressure

Mr. Walker can expect a different response when he meets the EEC Council next week. The French in particular will be unwilling to allow further price rises for British farmers while Mr. Walker remains determined to freeze prices for commodities in the rest of Europe.

Fierce pressure will probably be applied on him to relax this stance, and council approval for his devaluation plans is likely to depend on his response.

The Minister said yesterday he recognised there could be difficulties in winning the extra devaluation for pigmeat. When the French were allowed a similar adjustment the Council made it clear that was the last time.

"I shall attempt to persuade it to allow us to do it on this particular issue," Mr. Walker told MPs.

News Analysis Page 4

CONTENTS

For latest Share Index phone 01-246 8026

OVERSEAS NEWS

Troop reduction hint at Vienna summit

Presideat Brezhnev arrives in Vienna.

MR. LEONID BREZHNEV, the Soviet Presideot, is expected to make another attempt to his summit meeting here with Presideot Carter to break the deadlock in the European troop reduction talks, known as MBFR.

But carefully orchestrated leaks from Warsaw Pact diplomats of what Mr. Brezhoev has io mind, perhaps as a "first step" to negotiations at official level later, suggest little advance on previous Soviet positions.

The core of the Soviet proposals is reported to be a separate bilateral accord with the U.S., under which Russian troops in Europe would be reduced by 60,000 and American troops by 32,000, coupled with a freeze on the existing strength of the Warsaw Pact aod NATO forces.

But a freeze would leave unresolved the central disagreement over the size of the Warsaw Pact military preseoce. For this reasoo, and because the U.S. is known to be reluctant to entertaio aoy Soviet initiative without first consulting its NATO allies, it is thought here that the Soviet Presideot may be more interested in scoring publicity points.

Before leaving Washington, U.S. officials carefully warned against expecting any breakthrough on the subsidiary issues, including MBFR, which are due to be discussed here over the weekend before Monday's signing of the Strategic Arms Limitation Agreement.

The two heads of state met for the first time last night in the glittering Maria Therese room of the Austrian President's office when they paid a courtesy call on Dr. Kirschlaeger. Both were due to attend the performaoce in the eveniog by the Vienna State Opera.

A principal fascinatioo here has inevitably beeo the state of Mr. Brezhoev's health. Uolike Mr. Carter the night before, he made oo remarks on arriving in Vienna. Doriog airport welcoming ceremonies, while laying wreaths at Soviet and Austrian war memorials and io his meeting with Mr. Carter, he appeared unsteady and even slightly bemused.

But he was also clearly making a determined effort not to appear to be gravely ill, and therefore iocapable of a week-end's summitry with the American President. He is accompanied hy an exceptionally strong delegation, including three other senior members of the Politburo and the Chief of Staff of the Soviet armed forces.

Among the subsidiary issues on the agenda at the summit, the Soviet Union is known to attach particular importaoce to the grantiog by the U.S. of most-favoured-oation trading status, precluded under the 1974 Jackson-Vanik amendment because of the absence of Soviet assurances on Jewish emigration.

Most-favoured-natioo status would do more for Russian self-esteem thao for the country's economic prospects. The Soviet desire to be treated as an equal by the Uoited States is part of the motivation for making coocessions on its dissidents aod Jewish emigration.

Exxon unable to supply 14% of its customers' needs

BY TERRY DODSWORTH IN PARIS

MR. CLIFTON C. GARVIN, chairman of Exxon, the world's largest oil company, said yesterday that the group would be unable to supply 14 per cent of its customers' needs this year. Speaking in Paris during a tour of Europe, Mr. Garvin said that Exxon had calculated on a growth of between 2 and 3 per cent in world demand this year.

"We have made efforts to acquire new sources all over the world," he said, "but my expectation is that this shortage will continue at Exxon until we can convince the OPEC countries to increase production."

Exxon seemed to be in a worse position than most of its competitors, he added, mainly because the company's offtake of Iranian oil had been radically reduced since the revolution. Purchases from Iran had fallen from 450,000 b/d to 70,000, and at the same time a large buying contract with BP had been cancelled.

Mr. Garvin said the group's estimate of the overall shortfall of petroleum product supplies to the Western world this year would be between 3 and 4 per cent. This should not cause panic, because it could be easily contained by prudent conservation policies. Exxon was sharing its supplies on the basis of historical demand from its customers.

David Lascelles adds from New York: Mr. Garvin's remarks come in the wake of accusations in the U.S. that the oil companies have deliberately been withholding supplies from the market until prices go up.

Dr. James Schlesinger, the Energy Secretary, said earlier this week that oil companies had been "unnecessarily conservative" in the amount of oil they have been refining, and his staff would investigate what was going on. At the moment, the exact supply situation is confusing, with crude oil imports and stocks rising, but petrol supplies and refinery usage sharply down on last year.

Exxon has begun inserting large advertisements in the Press claiming that its deliveries of petrol are actually higher than last year's, despite the tight oil market.

Reuter reports from Brussels: The amount of oil traded on the Rotterdam spot market has fallen considerably from an earlier figure of 5 per cent of European supplies, Common Market Commission officials said yesterday.

Malaysia threatens to fire on boat people

By David Tonge

MALAYSIA announced yesterday that it would begin to ship out to international waters the 76,000 refugees from Vietnam for whom it has provided asylum. It also said that it was preparing legislation to fire on sight at any further boat people.

The move comes after Indonesia last week holted its borders to further refugees, saying that, like Singapore, it would turn any further refugees away. It underlines the worsening plight of the refugees and increases the pressure on Hong Kong.

The Malaysian decision was announced by Deputy Prime Minister Datuk Mahathir Mohammad. In the past Malaysia has towed out to sea about one-fifth of the motley armada of refugee boats which survived the crossing from Vietnam, according to local press reports. However, the refugee tide has continued to increase, with some 17,000 arriving in the last month, according to the UN High Commission on Refugees.

"Being humane has not paid off for us at all," the Deputy Prime Minister said. "All we are getting is a further inflow of Vietnamese illegal immigrants."

Sir Murray MacLehose, Governor of Hong Kong, who is visiting London for talks with the British Government on the refugee crisis and is to visit Washington next week, described the Malaysian decision as "a desperate reaction to a desperate situation." He warned that the "*patience and humanity*" of the countries round the South China Sea was beginning to snap.

Mrs. Margaret Thatcher, the Prime Minister, has called for an international conference on the situation while Mr. Cyrus Vance, the U.S. Secretary of State, has said that at this weekend's Carter-Brezhnev summit in Vienna the USSR would be asked to use its influence on Vietnam to reduce the outflow.

Yesterday ibe International Commiltee of the Red Cross issued a worldwide appeal for an emergency plan, an appeal made only 24 bonrs after a similar appeal by the office of the UN High Commissioner for Refugees.

At preseot there are arnund 400,000 rcfugees from Vietnam in Sonth Asia—230,000 in China, 76,000 in Malaysia, 53,000 in Hnng Kong and 30,000 in Indnnesia. A further 300,000 refugees from the conntry havo heen resettled nutside the area since 1975, mnstly in the U.S. and France.

What is particularly disturbing rouolries in the area is that there are between 0.8m and 1.4m further ethnlc Chinese in Vietnam who, it is fcared, cnuld bc made refugees if Hanoi dnes not ebange its pnilcies.

Further, Thailand houses about 160,000 refngees from Vietnam, Laos and Kampucbea (Cambodia).

French jobless rise

The Frencb employmeni nntlook worseoed yet again in May, Terry Dodsworth writes from Paris. Ministry nf Lahoor figures showed an increase of 2.7 per ceot in unemplnyment to 1,376,100 on a seasonally adjusted basis, cnmpared wilh the previnns mnnth.

Japan registers $800m current account deficit

BY RICHARD C. HANSON IN TOKYO

JAPAN HAD its second consecutive monthly current account deficit in May as the merchandise trade surplus narrowed sharply. The outflow of long-term capital continued, but at a slower pace than in recent months.

Preliminary figures show the current account registered a deficit of $800m compared with a $248m deficit in April. Trade was in surplus by $70m, down sharply from a surplus of $510m the previous month.

Exports on a fob basis rose 7 per cent from a year ago to $8.13bn and were up from $7.81bn in April, when the annual rise was a small 1.3 per cent. The volume of exports was up 3.6 per cent from a year ago, the first rise in volume in eight months, but the Finance Ministry expects the trend to less volume will continue.

Steel exports were up 26.4 per cent, and car exports remained at last year's very high levels. Fob imports were up 29 per cent to $8.06bn. Foodstuff imports climbed sharply, as did coal and raw materials for metals. Oil imports, 26.5 per cent of the total, were down from a year ago, but the drop reflected much heavier than normal imports in May 1978 to avoid a new duty from June.

On a seasonally adjusted basis the May current account deficit was actually smaller than April, $8m against $501m, and the trade surplus widened to $864m from $267m. The adjustment reflects the tendency for May imports to be much larger than other months.

The long-term capital account showed an outflow of $1.28bn, down from the April outflow of $2.151bn. This was the result of a reduced outflow of Japanese capital for portfolio investments by about $500m from the previous month and a switch to net inflow for foreign investment in securities of $400m.

The overall balance of payments was in deficit for the eighth month in a row by $750m, compared with a deficit of $2.973bn in April. Seasonally adjusted the overall balance was in surplus by a small $44m compared with an adjusted deficit of $3.216bn in April.

U.S. industrial production shows rise of 1.3%

BY DAVID BUCHAN IN WASHINGTON

INDUSTRIAL PRODUCTION in the U.S. last month bounced back by 1.3 per cent, largely offsetting the April decline of 1.4 per cent, caused in the main by the national truck drivers' stoppage in that month.

However, output of both consumer goods aod construction supplies in May reoiained below their March levels, the Federal Reserve Board reported yesterday. The May figures should not trouble economists in the Carter Administration, who have been welcoming a slowdown in the economy to help curb rampant inflation, while they may please political tacticians, who do not want a recession in advance of next year's election campaign.

Output of consumer goods rose 1.8 per cent in May following the 2.5 per cent decline in April. Car production was a strong feature bere, regaining its March level.

● David Lascelles adds from New York: Citibank, as expected, yesterday cut its prime rate by ¼ per cent to 11¼ per cent, continuing the trend set by Morgan Guaranty earlier in the week. Unlike most other banks, Citibank sets its prime according to a formula based on the cost of short-term funds. A number of smaller banks followed Citibank's move yesterday.

Despite these developments bond prices weakened slightly in the wake of the announcement of the rise in Industrial production and Thursday's sharp rise in the money supply.

Australian strike called

BY OUR CANBERRA CORRESPONDENT

AUSTRALIA FACES a national strike next week for at least a day, and possibly longer, following the arrest of 10 trade unionists during a meeting in the Pilbara, the world's richest Iron ore area, about 1,000 miles north of Perth.

Four days after the incident, four of the six state labour councils—branches of Australian Council of Trade Unions, have called for a 24-hour national strike in protest at the arrests on Thursday, when the 10 unionists appear in court.

Left-wing unions covering metal workers, truckdrivers, dock workers, seamen, and employees in tbe power industry, bave called for three- and four-day strikes and boycotts. Some have threatened to keep their members out indefinitely.

The chance of a compromise dimmed after Sir Charles Court, tbe West Australian Premier, refused to intervene and said the Government would not re-examine the Act under which the trade unionists were charged until after the court hearings finished. The unionists say they will refuse to pay fines if they are imposed hy the court.

Mr. Peter Nolan, the secretary of the ACTU, said he could "not ignore requests" to co-ordinate a national strike. Mr. Nolan yesterday urged Mr. Malcolm Fraser, the Prime Minister, to ask the West Australian Government to repeal the legislation, and "restore some sanity in the situation."

While Government-union confrontations have a habit of fizzling out at the last moment in Australia, the drawn-out and bitter background to the dispute, and the importance of Pilbara to the Australian economy means that any extension beyood next week could have a damaging impact.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing centres.

'TWO CITIES' REFERENDUM

Venice votes on divorce

BY RUPERT CORNWELL IN ROME

IT WAS an unlikely marriage in the first place: between La Serenissima, the delicate lagoon City, once ceotre of an empire, and the ugly urhan sprawl on the mainland, enmeshed in the petrochemical and port complex of Mestre Marghera.

Tomorrow the people of Venice have a chance to file for divorce. Voting begins in a referendum on whether to split the old city and its hrash modern satellites hack into two separate local government units. The outcome is anyone's guess.

In fact, separation would be a vindication of history. The lagoon city was founded 1200 years ago by settlers who fled there for safety from harharian invaders on the mainland. Administratively they remained distinct until 1926, when Mussolini in a gesture of Fascist grandeur added Mestre and other towns to the Venice municipality.

In those days 200,000 people lived in the historic city, and barely 30,000 to the fledgling industrial towns. Today, the population of Venice proper has declined to 130,000, while the "barbarians" now number 230,000 and Porto Marghera has grown into one of Italy's largest petrochemical centres.

The problems of Venice, though, remain. Their complexity is a measure of the uniqueness of the city's position. Houses, churches and artistic treasures bave to be restored. Work is only slowly under way to at last tackle pollution and provide a decent sewerage system.

And nothing has yet been done to deal with the city's most serious threat, the high Adriatic tides which 30 times a year send the sea spilling over into St. Mark's Square. Venice may not he sinking any longer, but the *acque alte* show just how vulnerable it remains.

The idea of a referendum first took shape in late 1977. Its four sponsors gathered more than double the 5,000 signatures required in the six month period allotted, half of them in Venice and half in Mestre, and tomorrow and Monday, the municipality's 270,000 voters will decide.

But which way the result will go, it is impossible to predict. The opinion polls forecast a dead heat, and confusion is heightened by the way in which the political parties, mostly against the proposals, bave largely lost control of their supporters.

The campaign, coming at the end of a three-week votiog marathon for the people of Venice after this month's geoeral and European electioos, was inevitably slow to get off the ground. But the accusations now heing flung between the *palazzi* along the Grand Ganal have all the venom local issues can generate.

A young supporter of separation was heaten up for his views on Thursday nigbt, while Sig. Luigi Scaramuzza, a Christian Democrat city councillor, bas resigned in protest at bis party's official line against the referendum proposals.

The most famous rebel is Sig. Bruno Visentini, Budget Minister, possible Prime Minister, possible future Governor of the Bank of Italy and de facto leader of the Repuhlicans. Sig. Visentini is, however, also chairman of Venice's Cini Cultural Foundation, and whatever his party might think, the most prominent spokesman of the separatists.

Backing him are the Liherals, the neofascist MSI, and the Social Democrats. But lined up in favour of the status quo are all Italy's political heavyweights: Christian Democrats (who control the Veneto region), Communists and Socialists (who between them control the municipality). The people thougb are heedless of what the parties say.

The separatist case is that it would he best for Mestre, as well as for the preservation of old Venice, if the two were split. The interests of the one are the detriment of the other, as the separatist posters put it: "A townball with two heads produces too many ideas." In other words, you caonot govern hy reconciling the irreconcilahle.

Iraqi planes attack across Iran border

BY ANDREW WHITLEY IN TEHRAN

IRAQI WARPLANES bave again attacked Iranian border villages in defiance of a threat hy Tehran officials to take "severe measures" in the eveot of a repetitioo of the June 4 raids.

Tehran radio said yesterday the air attack, on Thursday nigbt in western Ilam province, coincided witb ground fire oo Iranian positions in the same area from across the border. No reports of casualties or damage were available.

The incident is the latest in a mounting succession of irritants for the new Iranian regime and is bound to put the relationship with Iraq under severe strain.

Relations had heen untroubled since March 1975, when an agreement hetween the Shah and Mr. Saddam Hussein, the Iraqi Vice-President, ended over a decade of hostility, frequently bordering on all-out war.

The trouble along Iran's western horder comes at a difficult time for Mr. Mebdi Bazargan's Government, deeply embrolled in the major issue of the country's future constitution. Publication of an officially approved draft constitution, promised for yesterday, was postponed once again at the last moment.

Mr. Yadollab Sahabi, tbe Minister of State for Revolutionary Affairs and a close colleague of the Prime Minister, told journalists it had been sent back to Ayatollah Khomeini for further amendments. Its puhlic release is now due in a week's time.

Cyprus talks resume

BY OUR NICOSIA CORRESPONDENT

GREEK CYPRIOT and Turkish Cypriot representatives began a new round of talks io Nicosia yesterday—the first for more than two years—to try to resolve long-standing differences on the island, divided since the 1974 Turkisb invasion.

It was reliably learned that ooe of the first lauea raised hy the Greek Gypriot side at yesterday's meeting was the presence of ao adviser from Turkey—constitutional law expert Professor Mumtaz Soysal. The Turkish Cypriot interlocutor, Mr. Umit Suleymao Onan explained that Mr. Soysal would only deal with consitutional matters and that his presence did not alter the intercommunal character of the talks.

Diplomatic observers saw Mr. Soysal's presence as indicating Turkish Cypriot dependence on Turkey for negotiating a future settlement for tbe island.

David Tonge adds: One month ago the twn communities' leaders reached a 10-point agreement which gave priority to allowing Greek Cypriot refugees to return to Varosha, the tourist suhurh of Famagusta.

Under the agreement, the resettlemeot of Varosha was to take place "without awaiting the outcome of the discussion oo the other aspects of the Gyprus problem." But now the Turkisb aide is making it clear tbat substantial concessions must be part, though perhaps an early part, of a wider package.

Moves to reopen Rhodesia road

BY TONY HAWKINS IN SALISBURY

NEGOTIATIONS between Zimbabwe Rbodesia and Zambia oo tbe re-opening of road links between the two countries have been in progress for several months. But it is understood the Lusaka Government bad still to make up its mind.

In a statement on Thursday the Ministry of Traosport had said the deck of the Victoria Falla bridge, used for the road traffic, oeeded replacement. This bad been known aince 1975 hut the Zambian Governmeot bas refused permissioo for Rhodesian workmen to uodertake the oecessary repairs. The statement said that once such permission was given, it would take approximately a montb to have the hridge re-opened for road traffic.

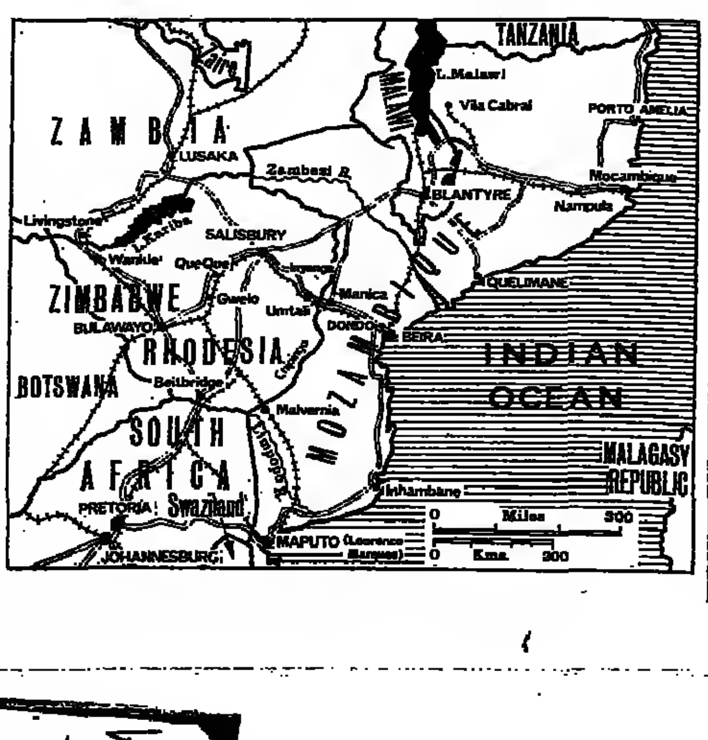
The rail bridge, linking the two countries at the Victoria Falls originally clnsed by Ian Smith's Gnvernment in January, 1973, was re-opened last October at the request of Zambia's President Kenneth Kauoda to import vital supplies of fertiliser and for tbe export of Zamblan copper via Zimbabwe Rhodesia.

Talks about reopening the three road lioks hetweeo Zambla and Zimbabwe Rhodesia — at the Victoria Falls, Kariba and Chirundu — started last year, soon after the rail link was restored. The Salisbury Government is understood to have stipulated its conditions for the resumption of road traffic which are esseotially the same as those accepted hy the Zamhians in respect of rail traffic. These are that Zambia should instruct the Zipra guerrillas loyal to Mr. Joshua Nkomo, based io Zambla, that road, rail and power iostallations should oot he attacked.

The Zipra guerrillas are understood oot to have attacked the railway from Botswana via Bulawayo to Zambia for aome time now, apparently reflecting the success of Zamhian demands. However, the maio Rhodeaian line to South Africa at Beit Bridge is frequeotly sabotaged by Zanla guerrillas loyal to Mr. Mugabe, operating from Mozambique.

It is understood in Salisbury that if Zambia is to meet its maize import requiremeots, it will be necessary to open the Gbirundu road link as well as that at the Victoria Falls. Some repairs to the Chirundu bridge will be necessary but these are not expected to involve any long delays. The maize and other Zambiao import requirements would then be sent hy rail from the South African ports to the railbead at Lions den io northeast Rhodesia and takeo by road across the border loto Zambia.

Using this ronte wonld raise the possibility of sabotage of both rail and road transport by Mr. Mugabe's guerrillas operating io the eastern half of Zimhabwe Rhodesia.



كتابخانه مجلس

Slater appeal bid fails

BY TIM DICKSON

MR. JIM SLATER yesterday failed in his attempt to appeal to the House of Lords against a previous ruling that he was guilty of offences under the Companies Act involving £4m.

Summonses against Mr. Slater, formerly chairman of Slater Walker Securities, were dismissed by City of London magistrates in February, 1977, but earlier this year the Department of Trade sucessfully appealed in the High Court.

The 15 summonses alleged that Mr. Slater allowed Slater Walker Securities' money to be used to buy shares in the company, contrary to Section 54 of the Companies Act.

The magistrates originally cleared Mr. Slater on the grounds that the loans made by Slater Walker to Blon Securities to buy SWS shares were within the proviso of Section 54, which allows loans made in the ordinary course of business to be used for share purchases.

In the High Court yesterday, Mr. Philip Heslop, Mr. Slater's counsel, told Lord Widgery, Mr. Justice Michael Davies and Mr. Justice Neill that the previous High Court ruling raised a point of law of general public interest which should be decided by the House of Lords.

Mr. Heslop claimed the ruling called into question whether the proviso could ever apply. "If that is so, there would be no need for the proviso," he said.

Mr. Peter Gibson, for the Department of Trade, said the basis of the ruling had been a statement of principles laid down 15 years ago and never challenged.

Lord Widgery concluded that the court was unable to certify that the case raised a point of law of general public importance.

Overseas investment to be eased

By Nicholas Colchester

THE GOVERNMENT is studying ways of gradually lifting the exchange controls on portfolio investment overseas, Mr. Nigel Lawson, Financial Secretary to the Treasury, told the annual lunch given by the London Chamber of Commerce and Industry in London yesterday.

He explained that it was particularly difficult to predict the capital outflow which would result from any decision to liberalise overseas portfolio investment. The Government had decided on a step-by-step approach because "the flows here could be highly volatile and the pent-up demand may be considerable."

The fact that he reaffirmed the Government's intention of reducing the disincentive for overseas portfolio investment is of significance to the investment currency premium. Last night the premium was down to an effective 11.9 per cent a year, compared with 30 per cent before the budget and 42 per cent at the start of the year.

Mr. Lawson also hinted that the Government may, in time, restore the use of sterling by banks to finance third-country trade. The Budget measures included only a decision to restore its use to British merchants. "Extending this facility to the banks themselves raises some rather different problems which need further close examination," Mr. Lawson explained.

Reyrolle plans redundancies

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE 4,000-STRONG work force at Reyrolle's Hebburn plant, Newcastle upon Tyne, is to be cut because of a drop in orders for heavy switchgear equipment.

Talks are being held with the unions about redundancies, which it is hoped can be achieved on a voluntary basis.

Sir James Woodeson, chairman of Northern Engineering Industries, the group to which Reyrolle belongs, told shareholders at the annual meeting this week: "We are going through a difficult phase at Reyrolle due to a shortage of demand, increased overheads and extreme overseas competition.

"This has not been helped by the industrial action at the Hebburn plant in the latter part of 1978."

On the domestic front, Reyrolle has been short of work from the Central Electricity Generating Board, while overseas orders have not come up to expectations.

The company has been facing severe competition in overseas markets from Germany, Switzerland and Japan.

The orders for two nuclear power stations which the CEGB is expected to place some time next year would come too late to justify keeping on all the workers at Hebburn in the hope that the switchgear would be built by Reyrolle.

Sir James warned shareholders that the group had "to be ready to tailor our resources to match the available workload."

NEI, formed by the merger of Clarke Chapman and Reyrolle Parsons, has recently made about 400 people redundant in Wolverhampton and Gateshead. The group employs 33,000 in this country.

Commercial vehicle sales soar

By Kenneth Gooding, Motor Industry Correspondent

SALES OF commercial vehicles in the UK in May were the second highest ever in a single month, according to the Society of Motor Manufacturers and Traders.

At 29,972 they were 31 per cent ahead of May last year, but still some way behind the record 37,655 in March, 1973.

Sales during the first five months of this year were 19.4 per cent higher than in the same period of 1978, totalling 128,433 —the best figure for the first five months since 1973, when registrations reached 143,474.

In spite of the big jump in demand, the UK-based manufacturers managed to hold back the importers' market share, which had been rising throughout 1978. In the five-month period, the importers' share was 22.1 per cent, the same as last year.

In May, however, imports accounted for 24.8 per cent, against 21.6 per cent in 1978.

Leader

There is no obvious reason for the buoyancy of the market, but Ford's efforts to catch up on last autumn's strike must have had some impact.

In the first five months Ford was market leader, with 35,177 commercial vehicles registered against 30,475 in the same period of 1978.

BL followed with 29,705 (27,292). The improvement in output at Bedford, the General Motors subsidiary, is reflected in a 41.9 per cent jump to 24,739 (17,430).

Sales of Japanese vehicles—all at the lighter end of the market—were down from 8,950 (an 8.3 per cent market share) to 8,406 (6.55 per cent).

Among the other importers, significant gains in the first five months were made by Mercedes-Benz, up from 1,675 to 2,563, and Volkswagen, up from 3,671 to 5,201.

Joseph finds lack of enterprise among jobless in Scotland

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SIR KEITH JOSEPH yesterday took his free enterprise message to Glasgow, the first of the high unemployment areas he is to visit, but found few enthusiasts for it among the men whose jobs are at risk.

The Industry Secretary visited Govan Shipyard, where work is running out, Clydebank, one of the worst hit towns in the UK, and the East End of Glasgow.

Their plight and the arguments of trade union leaders and shop stewards at Prestcold, where 900 jobs are to go, and from Massey Ferguson, where 1,000 jobs are under threat, failed to move him.

He told the Prestcold workers they would have to do what nearly 100,000 others in Britain did every week—find new jobs.

The Scottish TUC came away from their meeting with him with the impression that he would be slow to change his mind. "At least the last Conservative Government was willing to learn," said Mr. Jimmy Milne, the general secretary. "There is the possibility that this administration will be so rigid in its policies that it would have allowed Rolls-Royce and Ferranti to go to the wall and blow the consequences."

Sir Keith gave nothing away about the Government's thinking on issues such as the development of regional policies or the future of support for the shipbuilding industry.

He said he found the same cultural problems in Scotland that existed all over the UK: a bias against enterprise and an overwhelming assumption that salvation would come from the Government.

"I wish I had found more evidence of people going out and starting things for themselves.

"I haven't been disappointed: it was the sort of reaction I had expected. I am not one of those who think it will be easy to bring in the changes I want.

"That is why we shall be very cautious, we shall not pull away any crucial rugs. There will be significant changes, but we shall avoid abrupt changes."

● SIR KEITH is expected to make a progress report to the Commons next month on the Government's plans for curbing the activities of the National Enterprise Board, writes Ivor Owen.

Short VAT reprieve for vending machines

BY COLLEEN TOOMEY

VENDING MACHINE operators, who have been claiming that an increase in Value Added Tax to 15 per cent could put some of them in danger of "complete collapse," received short-term assistance from Customs and Excise yesterday.

Instead of paying 15 per cent VAT on all takings on Monday, operators will have to pay the increased tax on 14½ per cent of their takings. On Tuesday the amount subject to full VAT charges will double to 29 per cent. By the end of next week, the £400m a year vending machine industry will have absorbed the full impact of 15 per cent VAT on all takings.

The Customs and Excise move was welcomed by the industry which regarded itself as a "special case."

However, Mr. Rex Bloore, president of the National Association of Cigarette Machine Operators, said that since it would take at least two weeks to clear old stock the tax reprieve should have covered a similar period.

In the first two weeks of 15 per cent VAT, vending machine operators claim, it will be impossible to pass on the increased tax. Food, drinks or cigarettes in the machines will initially still sell at old prices.

When operators take the cash from the machines, however, they will be paying a further 7 per cent.

Several may have to go out of business with losses in the first week of between £1,000 and £2,000, it was claimed.

Mr. Derrick Skinner, chief executive of the Automatic Vending Association, said yesterday that apart from initial losses the industry was unlikely to suffer in the long term.

"I think people will see reason and logic and accept increased costs. We have around 1m coin-operated machines in Britain. We will have to re-pack goods or go in for an increase in price. People always come back to vending machines after a few days."

● Owners of hired goods no longer have to give seven days' notice of increased rental charges to their customers if the increase is brought about by a change in VAT.

From Monday, hired goods owners will be able to give immediate notice of price increases. The new regulations laid before Parliament yesterday relate to the Consumer Credit Act, 1974.

They also allow an owner to display the rental charges on his premises instead of sending out individual notices to hirers.

Howell ends State oil option rights

THE Department of Energy confirmed yesterday that the British National Oil Corporation was to lose its right of first option on North Sea deals in which oil companies propose to buy or sell licence interests.

Mr. David Howell, the Energy Secretary, said that offshore operators wishing to enter so-called farm-in deals would no longer have to offer them first to BNOC or the British Gas Corporation.

The Government hopes that this move to cut one of BNOC's more obvious advantages over the rest of the oil industry will give a boost to exploration, which has fallen sharply in the last 12 months.

Paradise to become sales chief for Chrysler UK

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

MR. FILMER M. PARADISE, the flamboyant American who became a well-known figure in the UK motor industry during the 1950s and 1960s, is to join Chrysler UK, the PSA Peugeot-Citroen subsidiary, and take responsibility for sales and marketing.

He has been recruited by Mr. George Turnbull, who took over formally as chairman and managing director of Chrysler UK in April. The two men were colleagues in the Austin Morris subsidiary of BLMC after it was first formed in 1968, and left about the same time in 1973.

Mr. Paradise succeeds Mr. Terry Prince, director of sales and marketing, who left Chrysler UK "amicably" three weeks ago for personal reasons.

Mr. Paradise, who is aged 60, is an economist who first worked in the UK under the Marshall Plan in 1948-50. He joined Ford International in 1954 and five years later became President and managing director of Ford Italiana.

In 1967 he joined the British Motor Corporation as managing director of its European operations and, following the merger with Leyland in 1968, became sales director of Austin Morris.

After a spell with Giltspur Investments four years ago he joined Wearne Brothers, the automotive assembly and distribution group operating in Singapore and Malaysia, where he has been managing director.

Taxi fares to rise by 29%

BY COLLEEN TOOMEY

LONDON TAXI fares are to rise by an overall 29 per cent from July 22, Mr. William Whitelaw, Home Secretary, announced yesterday. It is the first change in prices since December, 1977.

It takes into account the rise in cab operating costs since the last substantive fare increase in July 1975, as well as the effects the Budget will have on the trade, such as a 14p rise on a gallon of diesel, and a £535 increase in purchasing a new cab.

In a Commons written-reply, Mr. Whitelaw said the new tariff would incorporate a minimum 50p fare for the first 1,060 yards or six minutes. After that the basic rate would be 10p for each 530 yards or three minutes. He cut the surcharge on a journey of over six miles from 100 per cent to 50 per cent of the fare payable and raised charges for night, weekend and public holiday journeys.

The increase was welcomed by the cab trade, which had lodged a claim for 28 per cent last October. Mr. Arnold Sandler, chairman of the Licensed Taxi Drivers' Association, which represents more than 4,000 of the 17,000 drivers, said that cabbies would not pocket all the increases.

"Only two-thirds of the driver's takings are his earnings. The rest goes on running costs. And that was up to the Budget," he said.

Train shortage hits Inter-city

BRITISH RAIL announced yesterday there would be alterations and cancellations of Inter-city services on the Euston-to-Birmingham, Liverpool-to-Manchester routes owing to a shortage of electric trains.

No insider-dealing ban in Companies Bill

BY JOHN MOORE

A COMPANIES BILL was published yesterday. Unlike the Labour Government's Companies Bill, which included proposals to outlaw insider dealing, this Bill includes little likely to prove contentious.

The Government's Bill, foreshadowed in the Queen's Speech in May and given its formal first reading in the Lords earlier this week, proposes to implement the EEC's second directive on company law.

The directive is mainly concerned with formation of public companies and subscription and maintenance of their share capital.

The Bill redefines the terms "public" and "private" companies, and specifies the authorised minimum of share capital of public companies as £50,000.

The Bill deals with provisions in the EEC directive on issue, payment for and maintenance of share capital of public companies; and restrictions of distributions of profits and assets to members of the company.

Most clauses have already been examined in a Standing Committee of the Commons when they formed part of the 1978 Companies Bill under the Labour Government.

The provisions of the EEC second company law directive should have been implemented in the UK by December 1978, and the introduction of the latest Bill reflects the need to present this measure to Parliament at the earliest moment.

Reuters plans to duplicate London centre

REUTERS, the news and business information agency, is to build a duplicate of its London technical centre in Geneva.

It also intends to double the capacity of its world-wide circuits by which it sends out stock and commodity market prices.

Sir Denis Hamilton, chairman of Times Newspapers and the new chairman of Reuters, said the duplication was to ensure the security of the service against accident or breakdown.

The new building and equipment in Geneva is to cost about £3m. It will include the European data centre

Advertising cost record £1.8bn last year

BY MAURICE SAMUELSON

ADVERTISERS SPENT £1.8bn on promoting their products in Britain last year. Although this was the highest cash total ever, it was below the 1973 record after allowing for inflation, the Advertising Association said yesterday.

Press advertising rose 22 per cent to £1.236bn and television 21 per cent to £482m. However, there were marked variations among newspapers, with nationals recording a rise of only 18 per cent compared with 27 per cent for trade and technical journals.

National newspapers' relatively poor performance "probably principally reflects the serious industrial problems encountered throughout the year," the association said.

Rates had risen by 14.2 per cent, although the association said that the expected recession in advertising spending at the end of this year was likely to bring them back in line with the Retail Price Index.

● NEWS ANALYSIS — GREEN POUND DEVALUATION

Price roundabouts and swings

BY JOHN CHERRINGTON

ALTHOUGH the 5 per cent devaluation of the Green Pound —half what the National Farmers' Union had been asking for — will mean a substantial increase in some farm support prices, notably for grain, milk, sugar and beef, the actual increases will take some time to filter through to the farm gate.

If the proposals are accepted by the fellow Ministers of Mr. Peter Walker, Minister of Agriculture, next week, the intervention price for wheat and barley in August will rise from £81.16 per tonne to £85.67, and there will be proportionate increases in the support price for sugar, butter, skimmed milk powder, and beef.

At the same time the Monetary Compensatory Amount payments on imports of these products from fellow members will be reduced. These MCA payments are made to member countries exporting to Britain and act as a subsidy on them to avoid the distortions of monetary differences in the Community.

At the same time the levy on imports of cereals from third countries will rise by about £5 a tonne. This will thus ensure that the whole basis of the cereal market for the coming year will be set at a substantially higher figure. It must be realised, though, that the intervention price is only a fall-back price and that up until now little grain has been taken into intervention because the price over the years has been at a substantially higher level.

The effect of the change on beef to the consumer will be minimal at present, as market rates are well above the intervention price. Should there be a seasonal fall in beef prices in the autumn interventon prices could well become an attractive alternative for traders. However, as the imports of Irish beef will carry a much reduced rate of MCA, offers from that source could well be diverted elsewhere, so leaving the market very firm.

It is difficult to estimate the effect on milk products. The intervention price of butter will be raised but the 5 per cent devaluation last April brought no direct benefit to farmers and it could well be that the eventual increase in their prices this time could be no more than marginal. The retail price of butter will probably not reflect the full extent of the rise in intervention prices immediately because of over-supply and consequent heavy discounting. But these may be only a temporary phenomenon and price rises eventually are bound to work through.

On pigmeat Mr. Walker has proposed a further 5 per cent devaluation making 10 per cent in all with which with the strengthening of sterling will virtually wipe out the MCA on bacon from Denmark, the main supplier. The Danish MCA has already fallen from £230 per tonne in January to £99 in June. Any further fall is bound to be opposed by both Danes and Dutch who also supply the market.

Owing to very heavy discounting in the bacon trade the present published prices are somewhat unreal. But British farmers and processors will welcome the opportunity to compete on equal terms with their fellows in other countries which up until now farmers and processors claimed has been unfairly subsidised by the MCAs.

An increase in English pig prices will be particularly welcomed as the rise in cereal prices will make a heavy addition to their cost burden.

Mr. Walker may well find that acceptance of his proposal is very difficult unless he is prepared to give way on the British insistence on a price freeze for all community products in surplus. However, because of the unanimity rule in the council of ministers he can always veto the proposals such as they are until he gets something approaching his own way.

UK NEWS

Crown Agents' £140m foray

BY TERRY OGG

THE CROWN AGENTS' excursion into secondary banking and property will cost the British taxpayer about £140m, Mr. Sidney Eburne, the former merchant banker who last year became senior crown agent, disclosed yesterday.

Notes to the 1978 accounts state that Government grants totalling £175m have been paid to the Crown Agents on the understanding that the money would be recoverable from future earnings or by appreciation of assets.

The funds have been used to cut the total losses of £205.8m that followed the fringe banking collapse in 1973/74 to a more manageable £28.5m. Some of the money will find its way back to the Treasury, but between £130m and £150m is irrecoverable.

Mr. Eburne heralded the dawning of a new era for the agents. "The board has instituted a review of all the existing services to ensure that they are geared to the needs of the 300 or so Ministries and Government bodies for whom we work," he said.

"The results of this review will begin to take effect in the coming year, but we have already started new services in health care and rural development and have completed a reorganisation of the traditional engineering and procurement departments."

The main feature of the "new era" will be the sharp cleavage with the past through the new Act making Crown Agents an incorporated body. This was approved by Parliament earlier this year and given Royal Assent in April.

"The effect of the Act is to put our operations on a proper statutory basis," Mr. Eburne said. "It does not alter our traditional activities on behalf of principals nor does it affect the traditional relationship of confidentiality between the Crown Agents and the principals for whom we act."

It does enable the organisation to hive off the remnants of its fringe banking activities into a separate corporate body, called the Crown Agents' Holding and Realisation Board. At present, these operations are included in the Crown Agents' accounts via a separate "realisation account."

The summary of the account shows that investment and medium- to long-term loans were valued at £192.2m at the end of December, 1978, and that provisions for losses totalled £135.8m. Liabilities, including £79.6m owed to Crown Agents, were £85m. This gave an overall deficit (after the £175m grant and the £2.2m capital reserve) of £28.6m.

The operating account, which details the performance of Crown Agents' traditional activities, shows that assets were valued at £563.5m and liabilities totalled £530.3m. The reserves of £33.2m on this account offset the deficit on the realisation account. This is the first time since 1973-74 that there has been an overall surplus.

As the Comptroller and Auditor General points out in his report, this surplus has been achieved largely because of the grants made available by the Government. However, for the first time since 1974 the Crown Agents' operating account no longer needs to contain a note stating that it has been prepared on a going concern basis through assurances of continued Government support.

While announcing the new era for Crown Agents, Mr. Eburne also hinted strongly at an increase in fees charged for some of its services in the near future.

"Our financial target remains to break even, taking one year with another," he said. "In 1978, following two years of substantial surplus (£10.1m in 1976 and £5.9m in 1977) we came much closer to our target with a surplus of £1.5m. Ignoring the effect of unrealised gains and losses on Government securities, we may expect a further decline in 1979.

"This prospect means that we are examining very closely all our costs with the view to effecting economies wherever possible. We have not increased our fees since 1976, but I regret that it is inevitable that some part of the inflationary rise in costs will have to be passed on to our principals."

Judge winds up 'silver bank'

THE "SILVER BANK," Kendall and Dent, was compulsorily wound up by the High Court yesterday. Deputy Judge Allan Heymann QC, said the bank had misled the public and broken the law.

"This is a company from whose activities the public must be protected," he said.

He made the winding-up order on a petition by the Secretary for Trade alleging insolvency and breaches of the Companies Act, the Protection of Depositors Act, the Exchange Control Act and the Prevention of Fraud (Investments) Act.

The company, with four branches in London and others at Wolverhampton, Southampton, Bristol and Westgate-on-Sea, Kent, was ordered to pay all costs of the case.

Payment of these will be deferred until other creditors are paid.

The judge declined to make an order that two directors of the company, Senhor Joao Perestrello and Senhora Maria de Almeida, should personally pay the Secretary of State's costs since the first hearing date in January.

"This was a case of great complexity which needed a lot of the court's time. But it had to be ventilated, if only to act as a warning to those who might think of adopting the same kind of banking system."

The company was incorporated in 1950, to trade as watchmakers, jewellers and silversmiths.

It was a "shell" company when acquired by two Portuguese nationals—Senhor Perestrello and Senhora de Almeida—in 1975, and revived as a banking business.

The judge said that the Department of Trade was interested from the start in the way the bank's business was conducted. The Secretary of State made Orders under Section 109 of the Companies Act authorising two of his officers to carry out the investigation, which led to the winding-up petition last December.

Mass EEC Liberal protest

By Philip Rawstorne

EUROPEAN LIBERALS may formally challenge the credentials of British Tory and Labour MPs at the opening next month of the European Parliament in Strasbourg.

The move is being considered as part of a protest against the absence of British Liberal MPs.

European Liberals will also press the Parliament to plan a uniform voting system for the next Euro-elections in 1984.

Mr. David Steel, British Liberal leader, who returned yesterday from talks in Brussels with the leaders of other European Liberal parties, said that they had been "considerably angered by the injustice" of the British Euro-election results.

Ten British Liberal candidates—the number the party claims would have been elected under a system of proportional representation—are to attend the Parliament's opening as guests of their European colleagues.

Scientific research escapes big cuts

BY MAURICE SAMUELSON

SCIENTIFIC RESEARCH work emerged almost unscathed from cuts in allocations by the Department of Education and Science resulting from the Budget decisions. The £322m allocations for research councils in 1979-80 were trimmed by £5.1m, to £316.8m.

The Science Research Council's £176.7m allocation falls by £2.6m and £½m is taken from the Medical Research Council's £54.9m.

However, all five research councils (the others are agriculture, environment and social science) and the British Museum's natural history department, are still £5m better off than before last Autumn's annual increases. The Royal Society's £2.8m remains untouched.

Sir Geoffrey Allen, chairman of the Science Research Council, said yesterday he was "moderately optimistic" that the councils could carry out their new programmes simply by balancing their budgets, although it would not be known until the autumn whether future guidelines would affect the programmes' growth rate.

"We are not pulling out of space research," he said.

In December, Mrs. Shirley Williams, then Education Secretary, said the science budget would be raised by £47m over the next four years.

● The Budget will mean a cut of £2,590,000 in aid to the arts—including one of £1,114,000 for the Arts Council—Mr. Norman St John-Stevas, the Arts Minister said yesterday in a Commons written reply. Main cuts include £599,000 from the British Library, £149,000 from the British Museum and £124,000 from the Victoria and Albert Museum.

Liensing cost

PROVISIONAL ESTIMATE of the total cost of the vehicle registration and licensing system in 1978-79 is £55m, Mr. Kenneth Clarke, Transport Parliamentary Secretary, said yesterday in a Commons written reply.

Murray attacked on Budget

By Maurice Samuelson

MR. LEN MURRAY, general secretary of the TUC, was accused yesterday of wanting to destroy democracy by leading organised labour against the Government's economic strategy.

Mr. Denys Randolph, chairman of the Institute of Directors, said this was the intention behind Mr. Murray's threat of a campaign of opposition to the budget and the Government's whole economic strategy.

Mr. Randolph told businessmen in Nottingham that strikes and demonstrations by organised labour tied to one particular political party would be action for political ends, and "a glaring case of a minority coercing the majority."

Mr. Murray and his colleagues should fight their case in Parliament and the Press, and not in factories, in the streets and on the barricades.

LABOUR NEWS

Tube strike off—NUR agrees to arbitration

BY PHILIP BASSETT, LABOUR STAFF

THE IMMEDIATE threat of a strike which would have halted all London Underground services from Monday was lifted yesterday when the executive of the National Union of Railwaymen agreed to refer a pay dispute to arbitration.

It was decided to suspend the strike of its 15,000 Tube members after considering a formula for arbitration worked out at talks between the three rail unions, London Transport, and officials of the Advisory, Conciliation and Arbitration Service.

The executive of the train drivers' union ASLEF, which has about 2,200 Underground members, also agreed yesterday to accept the formula. The white-collar Transport Salaried Staffs' Association had been pressing for arbitration on the dispute for some time.

Mr. Sid Weighell, NUR general secretary, said he was sure the union's responsible membership would follow the executive decision.

Some union officials privately recognise that the danger of unofficial action remains and that the unions might have difficulty presenting the arbitration idea to some members who were pressing for a payment in advance. NUR Underground branch secretaries will be urged to try to prevent any unofficial action at a meeting today.

Under the terms of reference for the arbitration, worked out at further talks at ACAS yesterday the award will not be binding. Mr. Weighell said that if the results, which are to be produced by Thursday, were not satisfactory then the dispute would be "back at square one."

Union officials expect that any award must come near to their claim for increases of 17-20 per cent. London Transport has offered rises worth 10.3 per cent.

The arbitration panel, which will begin hearing evidence from the two sides tomorrow, will also consider an NUR request to examine the pay relativities between the main body of London Transport workers and the NUR's railway workshop staff.

The independent chairman of the panel will be Mr. Ian Buchanan, of the economics department of Dundee University, with employers' and union representatives completing the team.

Midland Bank computer staff in strikes ballot

BY NICK GARNETT, LABOUR STAFF

COMPUTER STAFF in the Midland Bank are being balloted by the Banking, Insurance and Finance Union on a proposed series of official one-day strikes over pay.

The union executive will discuss the response to the vote taking this month, as well as the results of a ballot on this year's pay negotiations for banking staff other than computer workers in all five clearing banks.

Both sets of negotiations have been deadlocked. The union said yesterday that Midland computer staff had been offered 10 per cent for Grades 1 and 2 and 11½ per cent for Grades 3 and above in response to a claim of 20 per cent with a further 5 per cent for consolidation.

One-day strikes could have serious repercussions on cheque clearances, supply of account balances and other work, the union said. The Association of Scientific, Technical and Managerial Staffs, which also has members in Midland, may consider industrial action on the banking staff offer, which its negotiators have rejected.

The English clearing banks have offered their 200,000 staff 11 per cent new money together with full consolidation of their 5 per cent productivity payment.

The series of difficult discussions between BIFU and the staff associations in Barclays, National Westminster and Lloyds on creation of a single staff body for clearing banks continued under the chairmanship of Dr. Tom Johnston, chairman of the Scottish Manpower Services Committee.

Rists engineers reject 14% offer

PRODUCTION remained at a standstill yesterday at the Rists Wires and Cables factory in Newcastle-under-Lyme, Staffordshire, after engineers rejected a 14 per cent pay offer.

About 200 engineers and drivers have been on strike for a fortnight and more than 2,000 manual workers have been laid off.

Mr. Les Dawson, works-convenor, said he was "bitterly disappointed" that the men had rejected what amounted to a £14 a week rise in basic pay for a skilled man. He said they wanted a further 2½ per cent plus £450 productivity back pay.

He warned of imminent lay-offs in the car industry because of a shortage of harnesses which Rists supplies, unless production resumes quickly.

TUC puts £200m plan for Shotton

AN INVESTMENT of over £200m to build new basic oxygen furnaces at Shotton steelworks is one of a series of proposals to be considered by the TUC national steel committee for submission to the Government.

This was revealed after a private meeting at Shotton yesterday in which the strategy to save steelmaking at the works was thrashed out by top union officials.

The divisional officer of the Iron and Steel Trades Confederation, Mr. George Cooper said another proposed investment to make Shotton more economic could include a tandem furnace scheme costing about £50m.

Both the suggestions have been rejected by the BSC previously, but Mr. Cooper said it was feared that if Shotton Steel was not saved the corporation would end up importing steel to keep the works' highly specialised finishing section fully operational. They did not think it feasible, he said, to transport the required 1.5m tonnes of steel a year to Shotton from other British works.

If steelmaking closes at Shotton over 6,000 jobs would be lost.

Birthday Honours for politics and industry

Mrs. Diana Neave (Baroness) — John Davies (Baron) — Anthony Tuke (Knight) — John Greenborough (KBE) — Brum Henderson (CBE) — Maurice Hodgson (Knight) — Gordon Hobday (Knight) — Robert Hunt (Knight) — Alex Jarratt (Knight) — Horace Cutler (Knight)

RECOGNITION for service in politics, industry, medicine, science, local government, public service, the arts, and the Civil Service is featured in the Queen's Birthday Honours.

Created Life Peers are three Baronesses and 11 Barons; one Privy Councillor is appointed; and 29 Knights Bachelor named.

LIFE PEERS
BARONESSES

Miss Betty Harvie Anderson (Mrs. Skrimshire), lately MP for Renfrewshire East, Deputy Chairman of Ways and Means, House of Commons 1970-73.

Professor Jean Kennedy McFarlane, Professor and Head of Department of Nursing Manchester University.

Mrs. Diana Josceline Barbara Neave, widow of Mr. Airey Neave.

BARONS

Mr. John Davies, formerly MP for Knutsford, Cheshire; Secretary of State for Trade and Industry 1970-72; Chancellor of the Duchy of Lancaster, 1972-74.

Mr. Joseph Godber, lately MP for Grantham, Lincolnshire, Minister of Agriculture, Fisheries and Food, 1972-74.

Mr. Ralph Harris, general director, Institute of Economic Affairs.

Mr. Hugh Emlyn Hooson, lately MP for Montgomeryshire; lately Leader of the Welsh Liberal Party.

Sir Robert Lynd Erskine Lowry, Lord Chief Justice of Northern Ireland.

Mr. James Peter Hymers Mackay, Lord Advocate.

Mr. Henry Oscar Murton, lately MP for Poole; lately Chairman of Ways and Means, House of Commons.

Sir David Lockhart-Mure Renton, lately MP for Huntingdonshire.

Professor Hugh Redwald Trevor-Roper, Regius Professor of Modern History Oxford University.

Mr. James David Gibson-Watt, formerly MP for Hereford.

Mr. Richard Frederick Wood, lately MP for Bridlington, Yorkshire; Minister of Overseas Development, 1970-74.

PRIVY COUNCILLOR

Mr. Terence Langley Higgins, MP for Worthing.

COMPANION OF HONOUR

Sir Michael Kemp Tippett, for services to music.

KNIGHTS

Professor Geoffrey Allen, chairman, Science Research Council.

Surgn. Lt.-Cmdr. Reginald Frederick Brittain Bennett, lately MP for Fareham.

Mr. James Clark Cameron, chairman of Council, British Medical Association, for services to medicine.

Mr. Robert Gordon Cooke, lately MP Bristol West.

Mr. Horace Walter Cutler, Leader, Greater London Council.

Mr. Alfred George Fletcher Hall-Davis, lately MP for Morecambe and Lonsdale, Lancashire.

Mr. Eric William Driver, chairman, Mersey Regional Health Authority.

Mr. Michael Owen Edwardes, chairman, British Leyland.

Mr. Stuart Newton Hampshire, philosopher, Warden of Wadham College, Oxford University.

Mr. Gordon Ivan Hobday, chairman, The Boots Company.

Mr. Maurice Arthur Eric Hodgson, chairman, Imperial Chemical Industries, for services to export.

Mr. Robert Frederick Hunt, chairman and chief executive, Dowty Group, for services to export.

Mr. Alexander Anthony Jarratt, chairman and chief executive, Reed International, for services to export.

Mr. Geoffrey Alan Jellicoe, for services to landscape architecture.

Mr. Hugh Ferguson Jones, for public services in South Wales.

Mr. Henry Charles Kerruish, Speaker of the House of Keys, Isle of Man.

Mr. Basil John Mason, Director-General, Meteorological Office.

Mr. Jasper More, lately MP for Ludlow, Shropshire.

Mr. James William Spencer Moent, for services to horticultural industry.

Dr. Noel Henry Moynihan, chairman, Save the Children Fund.

Mr. John Henry Orr, Chief Constable, Lothian and Borders Police.

Mr. John Chance Palmer, president of the Law Society.

Professor David Chilton Phillips, biological secretary, Royal Society.

Mr. Roy Shaw, secretary-general, Arts Council of Great Britain.

Mr. Ronald Oliver Carless Swayne, chairman, Overseas Containers.

Mr. John Tooley, general administrator, Royal Opera House, Covent Garden.

Mr. Peter Edward Trench, chairman, Construction and Housing Research Advisory Council.

Mr. Anthony Favill Tuke, chairman, Barclays Bank.

Mr. Gervas George Walker, chairman, Avon County Council.

ORDER OF THE BATH
GCB

Sir Frank Cooper, Permanent Under-Secretary of State, Ministry of Defence.

KCB

Mr. Kenneth Edward Couzens, Second Permanent Secretary, Treasury.

Mr. William Kerr Fraser, Permanent Under-Secretary of State, Scottish Office.

Mr. Douglas Arthur Lovelock, chairman, Board of Customs and Excise.

Mr. Geoffrey Charles Wardale, Second Permanent Secretary, Department of the Environment.

CB

Mr. John Arthur Allen, principal director, Ministry of Defence.

Mr. Kenneth Thomas Barnett, deputy secretary, Department of the Environment.

Mr. John Bertram Hardy Rillam, legal adviser, Department of Employment.

Mr. Anthony Addison Birley, Clerk of Public Bills, House of Commons.

Mr. George Dutton Gibb, chief dental officer, Department of Health and Social Security.

Mr. Frank Appleby Harper, under secretary, Department of Education and Science.

Mr. Albert Blair Harrington, lately medical adviser, Civil Service Department.

Mr. George Dennis Holmes, director-general and deputy chairman, Forestry Commission.

Mr. Anthony John Lippitt, deputy secretary, Department of Industry.

Mr. William Burton Housley Lord, lately director, Royal Armament Research and Development Establishment, Ministry of Defence.

Mr. James Victor Morrison, lately deputy secretary, Northern Ireland Civil Service.

Mr. Kart Max Newman, under secretary, Lord Chancellor's Department.

Mr. Arthur Alan Pritchard, deputy secretary, Ministry of Defence.

Mr. Robert Edwin Radford, deputy secretary, Department of Health and Social Security.

Mr. John Roderic Steele, deputy secretary, Department of Trade.

Mr. Bernard Maurice Thimont, controller, Stationery Office.

Mr. Eric Vickers, under secretary, Department of the Environment.

Mr. Malcolm Widdup, under secretary, Treasury.

ORDER OF ST. MICHAEL AND ST. GEORGE
CMG

Mr. Sidney Abramson, under secretary, Department of Trade.

Mr. David Bleackley, assistant director, Overseas Division, Institute of Geological Sciences.

ORDER OF THE BRITISH EMPIRE
DBE

Miss Margaret Kate Weston, director, Science Museum, Department of Education and Science.

KBE

Mr. Hedley Bernard (John) Greenborough, president, Confederation of British Industry.

Mr. Reginald Sydney Murley, president, Royal College of Surgeons of England.

CBE

Mr. L. P. Altman, member of council and past president, Motor Agents Association.

Mr. M. C. G. Andrews, general secretary, Arthritis and Rheumatism Council for Research.

Mr. P. C. Aspinell, managing director, Chloride International.

Mr. J. M. Aubrey, general manager, Courtaulds.

Dr. P. E. Axon, chairman, Pumps and Valves Sector Working Party and a director of Stone-Platt Industries.

Mr. D. A. Bennett, chairman, International Synthetic Rubber Company. For services to export.

Dr. R. L. P. Berry, director, National Anti-Waste Programme and director of Alcoa of Great Britain.

Professor R. E. D. Bishop, Kennedy Professor of Mechanical Engineering, University College, University of London.

M. N. L. Bond-Williams, lately member of Price Commission and director of Lucas Industries and other companies.

Mr. Richard E. Buckle, writer, critic and designer.

Mr. H. S. E. Catherwood, chairman, Ulsterbus and of Citybus.

Mr. I. R. Clark, Board member, British National Oil Corporation.

Mr. F. S. Cleary, chairman, Metropolitan Public Gardens Association and chairman of Haslemere Estates.

Mr. A. H. Coburn, managing director, Findus.

Mr. M. J. Cotton, deputy chairman and chief executive, International Military Services.

Mr. J. F. Crittall, chairman of Crittall and Winterton. For public services in Essex.

Mr. J. S. Cross, chairman, Eastern Counties Farmers.

Mr. J. M. M. Cunningham, director, Hill Farming Research Organisation.

Mr. W. J. Dalziel, deputy chief executive, Plessey Company. For services to export.

Mr. K. Davis, general manager, Dover Harbour Board.

Mr. S. M. de Bartolomé, chairman, Spear and Jackson International.

Mr. D. Downs, chairman and managing director, Ricardo Consulting Engineers.

Mr. S. M. Duncan, chairman, Dental Rates Study Group.

Mr. J. D. Fryer, director, Weed Research Organisation, Agricultural Research Council.

Mr. D. F. Hardie, managing director, Edward Parker and Co.

Mr. N. Harris, chairman, Planning, Highways and Transportation Committee, Association of District Councils.

Mr. D. H. Harrison. For services to Rugby Football.

Mr. J. A. Hartnett, chairman, Eurotherm International. For services to export.

Mr. R. R. Henderson, managing director, Ulster Television.

Mr. W. R. Henry, chairman, Coats Patons.

Mr. D. J. Insole, director of Trollope and Colls Holdings. For services to cricket.

Mr. A. T. James, head of division of biosciences, Unilever Research Laboratory.

Professor Robert Kilpatrick, chairman, Advisory Committee on Pesticides.

Mr. G. Lloyd. For services to health and safety in the building industry.

Michael Edwardes (Knight)

Mr. Ian M. McKellen, Shakespearean actor and director.

Mr. Neville Marriner, conductor, founder and director, Academy of St. Martin-in-the-Fields.

Mr. Wallace Monaghan, chairman, Pleo Pare (Holdings).

Mr. G. G. S. Mott, managing director, Vickers Shipbuilding Group.

Mr. K. J. Peters, managing director, Aberdeen Journals.

Mr. J. Phillips, chairman, Distributive Industry Training Board.

Miss Ruth Pitter, poetess.

Mr. W. J. Price, member, Electricity Council.

Mr. S. Race, director, Redfearn National Glass.

Mr. K. F. Roberts, chief executive, Wessex Water Authority.

Mr. A. H. Sansom, managing director, Metropolitan Cammell. For services to export.

Mr. J. H. Slater, general secretary, National Union of Seamen.

Mr. C. W. Thomas, chairman, Avon Health Authority.

Mr. M. G. Wilcox, lately president, Institute of Bankers.

Professor M. J. Wise, Professor of Geography, London School of Economics and Political Science, University of London.

Mr. R. L. Worsford, member for personnel, British Gas Corporation.

OBE

Mr. L. P. Bamford, lately chairman, Garment and Allied Industries Requirements Board.

Mr. F. Beer, lately president, Foreign Press Association.

Mr. J. J. Blackstock, director of industrial relations, Lucas Girling.

Mr. T. J. Brennan, assistant works manager, Ashington, Alcan (UK).

Reverend Canon P. Buckler, director, J. Arthur Rank Centre. For services to agriculture.

Mr. G. Carruthers, member for Personnel Services, Board of National Bus Company.

Mr. G. Clifford, chairman, Clifford's Dairies.

Mr. E. S. Cooke, managing director, KEF Electronics. For services to export.

Mr. C. B. Crosthwaite, chairman, Bronz Engineering. For services to export.

Mr. P. R. Dashwood, managing director, British Rail Property Board.

Mr. H. Denyer, director, Newcastle Airport.

Mr. C. Derby, chief executive, British Hotels, Restaurants and Caterers' Association.

Mr. R. Doalington, writer and musician.

Mr. F. Dunkerley, chairman, Standard Mill.

Mr. D. C. Elsbury, deputy managing director, Racal Electronics. For services to export.

Mr. S. J. Elston, member, Fisheries Research and Development Board.

Mr. C. M. Forty, director, Fine Arts Department, British Council.

Mr. W. J. Foster, general secretary, Anglo-Austrian Society.

Mr. J. W. French, chairman, Spinney's (1948). For services to export.

Mr. R. J. Frogatt, chief scientist, Central Research Laboratories, EMI.

Mr. G. M. Gillespie, joint managing director, Clarks (Barnstaple).

Mr. J. H. H. Gillespie, managing director, [illegible] Corporation.

Mr. C. R. Harrington, director, Ellis and Goldstein (Holdings). For services to export.

Mr. R. M. Harris, overseas director, Osdas.

Lieutenant Colonel J. M. Harrison, chairman, Liverpool Cathedral Executive Committee.

Mr. J. G. Hilton, chairman of Hiltons Footwear and other companies. For services to the magistracy in Leicester.

Mr. C. J. E. Hood, divisional managing director, aviation division, Smiths Industries. For services to export.

Mr. R. Houston, chief medical officer, Shell UK.

Mr. F. H. Howarth, chairman and managing director, Howarth Group of Companies.

Mr. A. C. Hunter. For services to sport and particularly to the Scottish Amateur Rowing Association.

Sheriff R. B. Irons, chairman, Trustee Savings Bank of the Channel Islands.

Mr. A. Kenworthy. For services to the Guild of Agricultural Correspondents.

Mr. W. E. King, author.

Miss Cleo Laine, singer.

Mr. J. W. V. Licence, director of overseas planning, British Gas Corporation.

Mrs. O. M. Liddell, chairman, Surrey Small Industries Committee, Council for Small Industries in Rural Areas.

Mr. D. C. Lindsay, group managing director, Whatlings.

Mr. C. Lovell, national secretary, plumbing section, Electrical Electronic Telecommunication and Plumbing Union.

Mr. T. MacDonagh, [illegible].

Mr. Roddy McMillan, actor (Glasgow).

Mr. W. Magee, general manager, [illegible] Power Company.

Major A. E. Malcolm, administrative director, [illegible] National Coal Board.

Mr. D. G. Parsons, director of technology, Stone Manganese Marine.

Mr. P. J. B. Perkins, chairman, Southern Newspapers.

Miss M. L. Quass, director, Council for Education in World Citizenship.

Mr. R. Raby, divisional manager, supplies and production control, Scunthorpe Division, British Steel Corporation.

Mr. W. Richardson. For services to the Institution of Gas Engineers.

Mr. C. L. Ricketts, lately chairman, Transport Users' Consultative Committee for Wales.

Mr. J. J. Rogers, marketing director, Weybridge-Bristol Division Aircraft Group, British Aerospace. For services to export.

Mrs. V. M. Searle, chairman, Women's Amateur Athletic Association.

Mr. E. D. Seccombe, secretary, Central Council of the Irish Linen Industry.

Mr. R. Smith, member, Food and Drink Economic Development Council.

Mr. C. Somerville, director, Peterhead Bay (Management) Company.

Mr. D. W. Stagg, deputy general secretary, Union of Post Office Workers.

Mr. F. Stares, chairman, Thorn Ericsson.

Mr. D. R. Stevenson. For services to the Ulster Savings Committee.

Colonel J. A. Sullivan, general manager, Milford Haven Conservancy Board.

Mr. S. A. G. Sutton, head of drama group, television, British Broadcasting Corporation.

Mr. H. A. Turner, treasurer, Amateur Swimming Association.

Mr. J. R. Wills, chairman, Manpower Services Committee, Special Programmes, Cumbria Area Board.

Mr. G. C. Wilson, chief scientist, Allen Clark Research Centre, Plessey.

Mr. G. W. Wilson, managing director, Scottish Farm Dairy Foods.

Mr. L. J. Wood, lately transport manager, GKN Screws and Fasteners.

Mr. Jimmy Young, entertainer.

MBE

Mr. W. J. Barber, chief planning engineer, Negretti and Zambra (Aviation).

Mr. B. Bird, secretary, East of England Agricultural Society.

Mr. S. T. Boddy, co-ordinator employee services, Ford Motor Company.

Mr. R. S. Booth, operations director, BRG Company.

Mr. J. D. Burt, general secretary, The Samaritans.

Mr. J. H. Bussey, sales director, Newall Grove Sales. For services to export.

Mr. [illegible] Carey, export liaison officer, United Biscuits. For services to export.

Mr. J. Chamberlain, Middle East regional sales manager, [illegible].

Mr. A. W. Clarkson, chairman, Retecla Invalid Carriages.

Mr. C. Cole, lately secretary, Chartered Institution of Building Services.

Mr. J. E. Cooper, director of industrial relations, [illegible].

Mr. Mark Cox. For services to Lawn Tennis.

Mr. A. Denholm, lately managing director, Denholm.

Mr. D. Dodd, deputy finance officer, National Union of Agricultural and Allied Workers.

Mr. P. H. Dunlop, sales manager, Watercraft.

Mr. J. J. Ellis, personnel officer, Rochester, Marconi-Elliott Avionics Systems.

Mr. P. B. Farquhar, deputy director, general British Jewellery and Giftware Federation.

Mr. R. G. Garbett, technical consultant, Stevenage-Bristol Division, Dynamics Group, British Aerospace.

Mr. A. W. [illegible], general manager, Ffestiniog Railway.

Mr. F. W. [illegible], lately shipping and forwarding manager, Lesser Group. For services to export.

Mr. J. Y. Graham, safety engineer, NEI Parsons and Co.

Mr. E. J. Green, export sales zone manager for Eastern Europe, Organics Division, Imperial Chemical Industries. For services to export.

Mr. P. C. Hall, sales executive (export), Ewart Liddell.

Mr. F. Hammersley, for services to Table Tennis.

Mr. J. T. Harris, chairman, British Deaf Sports Council.

Lieutenant Colonel C. [illegible], sales manager, [illegible] Engineering. For services to export.

Mr. Dennis Hawley, for services to Athletics.

Miss M. Hayter, personal assistant, [illegible] Dynamics.

Mr. H. S. Heap, electrical manager, Vosper Thornycroft.

Mr. P. W. Holland, director, British [illegible].

Mr. T. G. House, technical director, Cunard Shipping Services.

Mr. T. [illegible], divisional manufacturing manager, Thorn Lighting. For services to export.

Mr. Geoff C. Hurst, for services to Association Football.

Mr. A. R. Irvine, for services to Rugby Football in Scotland.

Mr. W. L. Jackson, manager, North Eastern British Road Services Ltd.

Mr. F. G. Jacobs, deputy chief engineer, Ultra Electronic Communications.

Mr. E. G. Kenrick, area director, British Bakeries.

Mr. A. D. Kirkwood, engineering production manager (Naval), Swan Hunter Shipbuilders.

Mr. J. G. Langridge, for services to cricket.

Mr. [illegible] McCrory, secretary, Ulster Council, Irish Amateur Boxing Association.

Mr. J. R. McIntyre, manager, overseas department, Ulster Bank.

Mr. W. P. McLaren, sports journalist and commentator.

Mr. A. Nisbet, director, Peggy Nisbet. For services to export.

Mr. W. H. Payne, deputy production director (films), Services Kinema Corporation.

Miss M. C. Pilbeam, designer, Marida Export. For services to export.

Mr. J. R. Pope, director of exports, British United Shoe Machinery Company.

Mr. Phil Read. For services to motor cycle racing.

Mr. D. F. Rhodes, plant, installation and development manager, [illegible].

Mr. J. H. L. Rose, management services manager, MEL Equipment. For services to export.

Mr. F. St. George, secretary-general, Southampton Chamber of Commerce.

Mr. T. R. Sharpe, manager, engineering and projects, Sohio Construction Inc., British Petroleum Company.

Mr. H. M. Shields, secretary, Piping Industries Guild.

Mr. B. Smith, director of traffic services, Roadline UK.

Mr. G. M. Stainton, secretary, National Association of Glove Manufacturers.

Mr. J. Stuart, managing director, Elizabeth Ann Wood Craft.

Mr. T. H. Sullivan, crime reporter, London Evening Standard.

Mr. C. G. S. Taylor, member of the Building and Civil Engineering Joint Advisory Committee, Wales.

Mr. J. J. [illegible], general manager Trustee Savings Bank, West of Scotland.

Mr. E. W. Venner, lately controller of promotion, Lloyds Register of Shipping.

Mr. H. E. Wallace, [illegible] Machine Tool Trades Association. For services to export.

Mr. K. Young, sales director, MacLellan Rubber.

THE WEEK IN THE MARKETS

The moment of truth

THE CHANCELLOR'S Budget Statement on Tuesday lasted for well over an hour—but the moment of truth for the City came in a brief couple of paragraphs less than a third of the way through. Not for the first time, said Sir Geoffrey Howe, the levels of public spending and borrowing which Mr. Healey had permitted were far too high to be compatible with his own monetary targets. "Reluctantly, I shall myself be obliged to take painful action to correct that mistake."

Painful it certainly was. The new target range for the growth of sterling M3 in the 10 months to next April was to be 9 to 11 per cent. That in itself represents a really savage squeeze during a period when inflation could well be running at 15 per cent and more. Thirty seconds later Sir Geoffrey was announcing a two-point jump in the Bank of England's Minimum Lending Rate to the crisis level of 14 per cent.

The Stock Market's immediate reaction was uncharacteristically sober. Dealing in gilt-edged had, as usual, stopped for the day. By the time the Chancellor had stood up, equity prices shaded only marginally in late trading.

Bitterness

That was the calm before the storm. On Wednesday morning the Government broker slashed the price of the long tap stock by 5½ points and, amid some confusion and a certain amount of bitterness among those who had been left out of the rush, virtually the whole lot (£800m) was cleared out in a matter of moments.

In equities, the mood was depressed right from the start—and it got worse as the day wore on. On Wednesday and Thursday, the Financial Times 30-Share Index lost a total of more than 27 points.

The initial hope was that the increase in interest rates would turn out to be strictly a short term affair—designed to give the Government broker a chance to find a new base from which he could start selling stock in significant quantities. But the money supply figures published on Thursday suggested that the rates might have to stay high for some little while if the increase is to have its intended effect.

In the half year running to last October, sterling M3 had been rising at an annual rate of 10½ per cent—but since then the rate has increased to over 13 per cent and the month to mid-May brought a rise of 1.2 per cent. Bringing that kind of increase under control may take more than just a week or two of high short term interest rates. At any rate the banks, after a day of shilly shallying, decided that 14 per cent was the right figure for their base leading rates. They all moved up in a rush on Thursday.

All this excitement has had a marked effect on the foreign exchange market and the trade weighted index for sterling has risen a full point to 68.2 per cent over the week. The pound is now backed by the highest interest rates available in any major capital market, as well as by oil wealth. Foreign investors have to weigh against that the fact that inflation in the UK is now accelerating to a rate well above that suffered by most of its trade competitors. But UK Government bonds must still look a tempting speculation to overseas buyers, and the fate of the two new tap stocks which the authorities unveiled yesterday may well lie in their hands.

Equity pipeline

Faced with a big public sector borrowing requirement and a commitment to cut direct taxes it was no surprise that the Chancellor has decided to sell off some of the country's equity heirlooms to help pay the bills. All told he plans to raise around £1bn in the current year.

But the problem is that apart from the Government's 51 per cent stake in BP (including the former Burmah holdings) there is not much else left that is both readily marketable and capable of raising large sums for the Exchequer. Indeed, because of the litigation over the former Burmah holding of 77.8m BP shares, it is assumed that the Government will only sell off part of its own holding of 119.3m shares. At current prices of around £11 per share this is worth around £1.3bn. Assuming the Government sold off 20 per cent of BP at £11 per share, this would raise £830m.

It is only two years since the previous Government sold off 66.8m shares at £8.45 and the prospect of another sizeable chunk coming on to the market has hit the BP share price. Ahead of the Budget the BP shares were trading around £12.25 but by the end of the week they had fallen to £11.42 considerably faster than the market. However, there will be a substantial institutional demand for the shares. BP is the biggest constituent of the FT-Actuaries all share index, but because of the large Government shareholding institutions have never been able to get a satisfactory weighting of BP in their portfolios.

Apart from BP there are a few other National Enterprise Board holdings that could be easily sold. The NEB's 50 per cent stake in Ferranti is worth just over £40m and its 25 per cent holding in International Computers Ltd. is worth much the same. Both companies are doing well and there would be plenty of institutional demand.

Apart from those two, the Government may well sell off its 24 per cent stake in British Sugar worth £25m, say, and there would be no shortage of bidders for the Fairey group of engineering companies which might fetch roughly the same sort of price.

However, the above four companies are not going to provide the Chancellor with much more than £150m at best and any further official sales of assets will take much longer to prepare. There are some juicy plums such as Cable and Wireless, plus parts of the Post Office's telecommunications side, British Airways and National Freight Corporation. But these could not be sold overnight.

Chloride sparks

Few shares resisted the immediate post Budget shake-out. On its own, Chloride's 16 per cent annual pre-tax profit increase to £29m would have been insufficient to withstand the tide of falling prices but the battery manufacturer did manage to allay the market's fears on two important points and the shares edged up a little on the results.

Batteries are lasting longer and it had been suggested that like Dunlop, Chloride would be faced with a falling level of replacement demand. But while tyres are irrevocably linked to the automotive market, the group is confident that new battery applications can be successfully exploited.

The balance-sheet remains reasonably strong with net borrowings rising from £64m to £73m and net gearing rising from 57.9 per cent to 61.3 per cent. The exceptional price of lead, now double what it was a year ago, and the implications for the working capital requirement and gearing in a high interest rate climate had been disquieting.

Capital expenditure, on the other hand, has levelled off. Chloride has shown a firm control of working capital and, most important, is convinced that lead prices will start tapering off. The long-term price projection apparently is about £400 per ton against the current level of £680 per ton.

B & C hesitates

While prices were falling, some companies were already savouring their new found dividend freedom. British and Commonwealth Shipping by contrast, was less ambitious. The total dividend for the year was raised by a tenth to 10.5878p per share and shareholders will have to be patient to discover how much more the company may be prepared to pay.

Not that the group's trading performance urges any pressing need for caution. Certainly, there were exceptional debits but if the currency loss at Overseas Containers and a write down on the floating supply base are excluded, profits rose by £1.3m to £30.6m last year. The upturn compares very favourably with the fortunes of P and O and Ocean Transport.

But then shipping is no longer a significant part of the group's activities. The air transport division, mostly helicopters, earned around £10m last year and the aviation support side contributed a further £4m.

Westland, too, looks as if it is making a good profit from helicopters—at last. The manufacturer broke with tradition during the week and published interim profits. These amounted to £5.21m before tax and are untainted by the huge provisions on the Lynx contract which, at £16.2m, dragged the group into a £2.8m loss in 1977-1978.

Doubts remain as to the future of the contract (thought to be worth as much as £400m) first to supply the Lynx to Egypt. These follow from the decision by the rest of the Arab world to isolate Egypt economically after the Cairo-Tel Aviv peace treaty. Westland, however, remains cautiously optimistic and stressed this week that there was no cause for concern about the financial position of the contract. Lord Aldington, the chairman, said that he was sure that Westland would win Lynx orders from the Arab states.

Television or gin

The absence of duty increases on alcohol in Tuesday's Budget came as a pleasant surprise to brewers, distillers and drinkers. Almost all equities have done badly this week but brewers at least have done less badly than most. Considering that they had a good run before the Budget on some useful results and the freeing of prices, confidence seems to run deep.

There are at least two factors in the brewers' favour. The average price increase precipitated by the Budget may be close to 3p on beer and a peg of spirits, but other VAT-rated goods will suffer to the same degree, explaining perhaps why stores have underperformed this week. Secondly, brewers (though not distillers) are immune from the strong rise in sterling over the past few days.

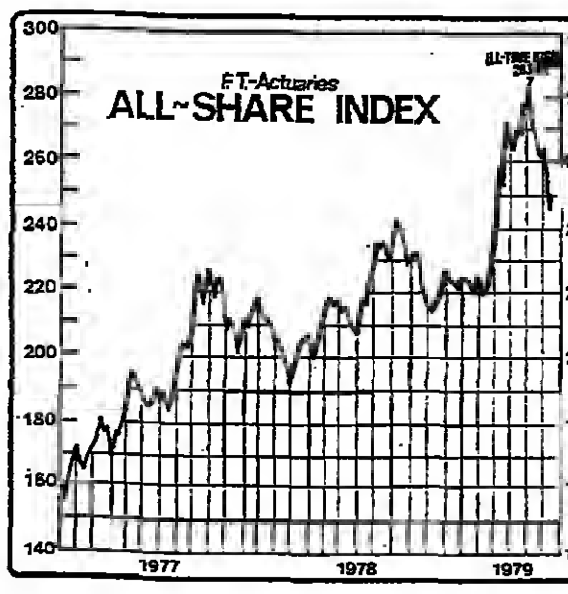
Caution should be observed, however. If Treasury figures are to be believed, the VAT increase will mean a rise in alcohol consumption of only 2.8 per cent in the current year—compared with 7.1 per cent if VAT had been pegged.

The balance of the market may also change. Beer price increases have outstripped those for wines and spirits recently and prices will move ahead faster than in off-licences, where beer sales are comparatively small.

Add to that a poor summer, with beer sales suffering more than spirits, and the general picture could be one of fairly stagnant demand and a modest shift away from beer.

That may not materialise. Treasury figures are not always reliable and it is arguable whether there is really much in substitution buying between beers, wines and spirits—particularly in the off-licence trade. Consumption patterns are notoriously hard to predict and it is too early to say whether income tax savings will be spent on gin or television sets.

The Budget was, on balance, good news for brewers and distillers, while the Price Commission swan-song—the reports on Bass and Whitbread—which appeared the next day could have been a lot worse. Nonetheless, the sector is highly rated at the moment and a poor summer in particular could force some adjustment.



LONDON

ONLOOKER

EQUITIES AFTER THE ELECTION

The table lists the changes in the FT Industrial Ordinary share index and its constituents over the five weeks since the record high was established the day after the general election.

	Price Y'day	Change	1979 High	1979 Low
Ind. Ord. Index	478.5	−80.1	558.6	446.1
Allied Brews.	89	−13	102	80
BOC Int.	74	−7	81½	65½
Beecham	530	−195	755	530
Blue Circle	298	−44	356	244
Boots	190	−45	238	184
Bowater	173	−36	209	171
BP	1,142	−88	1,246	882
Brown (John)	489	−98	592	356
Cadbury Schweppes	59½	−9½	69	51
Courtaulds	95	−21	122	94
Distillers	215	−34	259	198
Dunlop	68	−12	80	60
EMI	97	−17	144	97
GEC	362	−88	456	311
Glaxo	453	−62	600	453
Grand Met.	135	−37	178½	110½
GKN	256	−52	308	226
Hawker Siddeley	204	−62	278	194
ICI	353	−61	415	346
Imperial Group	92	−15	108	82
London Brick	67	−5	79	62
Lucas Inds.	273	−37	310	262
Marks & Spencer	110	−20	134	83
P & O Dfd.	92	+6	104	71
Plessey	105	−2	117	103
Tate & Lyle	150	−6	188	133
Tube Invests.	374	−62	436	346
Turner & Newall	139	−27	176	135
UDS Group	93	−22	120	81
Vickers	171	−39	210	167

U.K. INDICES

Average week to	June 15	June 8	June 1
FINANCIAL TIMES			
Govt. Secs.	71.51	72.84	72.86
Fixed Interest	73.29	75.08	75.12
Indust. Ord.	489.4	510.9	513.7
Gold Mines	187.3	202.6	194.6
Do. (Ex $ pm)	161.3	165.6	159.9
T'tl. bargains	19,045	16,498	—
FT ACTUARIES			
Capital Gds.	254.10	266.06	266.09
Consumer (Durable)	236.32	246.75	246.48
Cons. (Non-Durable)	238.36	247.17	248.25
Inds. Group	242.21	252.02	252.19
500-Share	275.61	286.95	284.87
Financial Gp.	193.65	199.66	201.57
All-Share	253.09	262.60	261.65
Red. Debs.	58.92	60.01	60.42

TOP PERFORMING SECTORS IN FOUR WEEKS FROM MAY 17

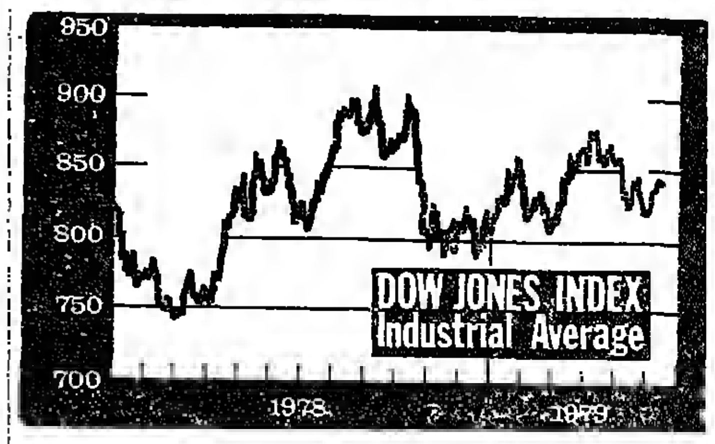
	% Change
Oils	− 1.6
Overseas Traders	− 3.1
Discount Houses	− 3.6
Shipping	− 4.1
Toys and Games	− 5.2
Insurance (Life)	− 6.3
THE WORST PERFORMERS	
All-Share Index	− 8.8
Newspapers, Publishing	−12.0
Office Equipment	−13.9
Hire Purchase	−14.0
Electricals	−14.2
Contracting, Construction	−15.3
Pharmaceutical Products	−16.4

Little progress

LIKE A SLIGHTLY overweight but highly resolute businessman on a running machine, the New York Stock Market has been huffing, puffing, raising considerable dust but really making very little progress. Brokers who had been wondering whether they could afford that European holiday may now be making firm reservations since the market is in the thick of a trading rally which, unhappily for investors is failing to add much value to share prices.

Tuesday's 43.4m shares traded made it the busiest New York Stock Exchange day since last November 1 and although the momentum subsequently relaxed somewhat, it still remains high. Clearly the impressive volume figures point to greater institutional participation and equally clearly the lack of comparable progress in the Dow Jones Industrial Average suggests that many portfolios are being faced with some of the shock comparable to that felt by a man "who, chasing rainbows, has had one of them suddenly turn and bite him in the leg." The sensation may yet come to the interest rate optimists on Wall Street. Many were left gasping on Thursday afternoon by the Federal Reserve Board's report of a record $8.9m increase in the M1 money supply in the week ended June 6. Men whose powers of explanation had hitherto seemed to know no limit could be heard splutteringly incoherently over a set of figures which had not been anticipated.

In the meantime, the market's heady buying and selling of stocks may last a few more days. But it is unlikely to be any more consequential, partly because of problems with some of the leading stocks. The Dow Jones Industrial Average contains a number of cyclical heavy industry companies among its constituent 30 stocks and with an economic slowdown and/or recession clearly looming, it not actually under way, they are unlikely to be investors' first choice until their prices have softened somewhat.



But other traditional leaders such as IBM are providing unexpected problems. This stock (split four for one on June 1) tumbled mightily from $76 on Tuesday to $74½ on Thursday after the company confirmed that its earnings may be reduced somewhat because customers are showing a greater disposition to rent their computers rather than purchase them.

But there were other more promising sideshows to attract the investor's money. Charter Company which recently acquired Carey Energy Corporation rocketed 9½ to 56½ on Tuesday after the company said its earnings looked likely to make the satisfactory progression from $1.17 per share to $10 per share.

Cosmetic trading is probably a prudent reaction to the balmy breeze of confidence on many parts of Wall Street that for one reason or another interest rates are on their way down and the economy headed for a softer cushion of slower growth and lower inflation. Tuesday's turbulent trading was sparked by the venerable Morgan Guaranty Trust Company's decision to cut its prime rate from 11¾ per cent to 11½ per cent, a move subsequently followed by a number of other, but not all, leading banks. We have in fact been here before in February and March when a number of banks went down to 11½ per cent only to return to 11¾ per cent in the spring because of the high cost of money market funds.

During the past three weeks, however, the cost of short-term funds has been falling impressively and each one hundredth of a point fall has been a building block for the tower of hope on Wall Street that cheaper money, a slower economy and ultimately the start of a new business recovery is the track at last being taken by the economy.

P. G. Wodehouse once wrote

CLOSING INDICES

Monday	837.58	+3.43
Tuesday	845.29	+7.71
Wednesday	842.17	−3.12
Thursday	842.34	+0.17
Friday	843.30	+0.96

Are things looking up Down-Under?

MINING

KENNETH MARSTON

AUSTRALIA is a tantalising area as far as the mining men are concerned. It is undoubtedly rich in minerals as the finds of recent years have shown and, of course, its vast area has been hardly scratched in terms of intensive prospecting activity.

Capital feels safer there than in many other countries, particularly in Africa, and ready markets for its minerals exist in the Pacific Basin. But there are snags. They include a labour force with a mind very much of its own and a strike record, notably in the big iron ore fields, that does not show much signs of improving.

A vociferous preservation lobby closely watches every move the mining companies make and an equally strong surveillance is maintained by Government. The latter is particularly keen to see that foreign ownership of minerals is kept in check as much as possible. The ideal is for Australians to own no less than 51 per cent of most minerals and 75 per cent in the case of uranium.

The trouble is that with the huge cost of new mining ventures these days—a single major development can require capital of anything up to the equivalent of £500m or more—such funds cannot be generated within Australia. As in other countries partnerships have to be arranged with outside interests if new ventures are to be got off the ground.

Under the Fraser Liberal-Country coalition administration, however, a more pragmatic approach to mining seems to be starting. This week we have had news of a lifting of mineral export controls and a relaxation of the 75 per cent Australian ownership rule for uranium deposits.

The latter easing has arisen because of the need to secure a go-ahead for Western Mining's Yeelirrie deposit in Western Australia. Although the Australian company holds 75 per cent of the equity of the venture, its overseas partners Esso and Urangesellschaft will take some 60 per cent of the uranium production under the financing deal for the A$400m (£210.5m) development costs.

The news raises hopes of similar flexibility being applied in the case of the huge Jabiluka uranium deposit in the Northern Territory which is only 65 per cent owned by Australia's Pancontinental, the remaining 35 per cent being held by America's Getty Oil.

Also confident of Australia's mineral potential but with an eye to the need for attracting more local investors there is London's Selection Trust group. In effect, the group is to create a major Australian mining finance house as a result of a rather complicated re-arrangement of its Australian interests.

The effect of the proposals on the group structure is set out in the accompanying "family tree" illustration. What it means is that the group's Australian mining interests are to be put into a new Australian-registered company to be called Seltrust Holdings.

These interests include the group's 60 per cent stake in the new Agnew nickel mine—which bodes to become an important earner—plus the so far undeveloped Teutonic Bore copper-zinc-silver deposit, the drillship "Regional Endeavour" and the 5 per cent stake in the huge Mount Newman iron ore operation.

Importantly, Seltrust Holdings will also hold the existing exploration interests plus a 75 per cent stake in the group's other exploration activities in Australia. It will undertake all other future mining business of the Selection Trust group in Australia.

Thus, Seltrust Holdings will become a mining finance house similar to Rio Tinto-Zinc's Conzinc Riotinto of Australia, rather than just an investment company.

At present the Selection Trust group's only quoted company in Australia is Selcast Exploration which is publicly-owned to the extent of 16.2 per cent. Holders of the latter will be given an exchange on the basis of 20 Seltrust Holdings "A" shares plus A$20 cash for every 100 Selcast Exploration.

Then, in September, there will be a rights offer of one "Z" share in Seltrust Holdings at a price of A$2.50 (£1.30) for every "A" share held. The issue is aimed at Australian investors and the big new Seltrust Holdings, with assets of some A$170m, is to be initially 21.2 per cent owned by the public and 78.8 per cent by Selection Trust.

The issue, which will bring in a useful A$30m, is relatively modest but is probably only in line with what the Australian market will bear. Australian nationalism tends to falter when it comes to hard cash requirements. But further offerings designed to increase Australian ownership of Seltrust Holdings are possible in the future.

This will not, of course, prevent UK investors buying into the action when dealings in Seltrust Holdings start later this year. What has to be borne in mind is that the difference between the "Z" shares, which are convertible at any time into "A" shares, is that the "Z" will carry a fixed dividend of 17.5 cents which is equivalent to an annual yield of 7 per cent on the offer price.

There is no dividend limit on the "A" shares, but it is unlikely that any payment will be made on them for, say, two or three years until Seltrust Holdings has built up its funds to desirable levels. So if you want to follow the newcomer's fortunes you may have to put up with a modest income on the "Z" shares for a time.

In the meantime there could be better opportunities elsewhere. But keep a close eye on Seltrust Holdings because with the Selection Trust group's knack of finding new mines and the prospect of sharply expanding income from the young mineral interests, Seltrust Holdings could become a real money-spinner in the later 1980s.

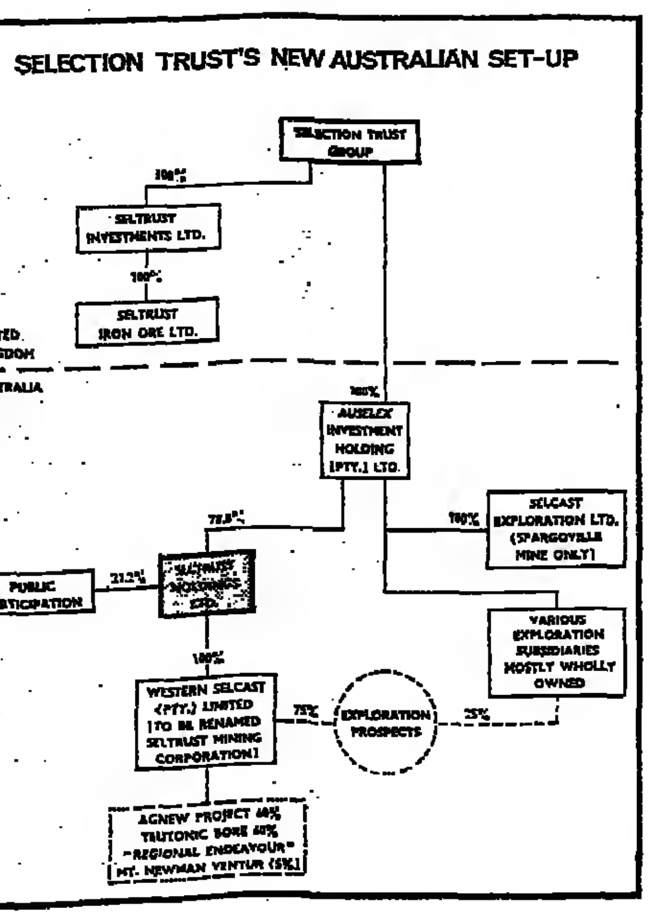
So, you may ask, where are there better near term investment opportunities? In my view, the answer is in South African gold shares. This week's collapse in the market—on Wednesday the Gold Mines index of London prices dropped a massive 26.4 to 174.5—reflected fears about the future of the investment dollar premium which is contained in the London prices.

Whether the premium will dwindle further, or soon go altogether, is a debatable point. But now that it is down to 12 per cent, a holder can afford the risk of it falling further.

After all, gold share dividend yields, both existing and potential, are now around 14 per cent and more on good class issues. Company earnings are still rising in line with the gold price which closed at a new record price yesterday.

Nor should it be overlooked that this week's Budget reduction in the top tax rate to 60 per cent from 83 per cent is going to make high yielding stocks more attractive to high tax payers. Previously they lost much of the benefit of generous yields in tax but they still had to accept the degree of investment risk which accompanies a high return.

For such investors, Golds may now appear as yield sweeteners in a mixed portfolio. Returns of 13 per cent or so are offered on West Driefontein, Buffelsfontein, Harmony, Hartebeest and Western Holdings, among others.



YOUR SAVINGS AND INVESTMENTS

EDITED BY EAMONN FINGLETON

Budget analysis: Our writers assess how savers emerge from the biggest tax upheaval in a generation

It is all change for depositors

THE BUDGET brought good news for small investors, but they should look before they leap. The Chancellor's decision to push Minimum Lending Rate up to 14 per cent wreaked havoc on the gilts market, with prices see-sawing as heavyweight investors tried to judge where interest rates were going.

For small savers too there is a lot to chew over. The reduction in the basic income tax rate will make tax-free investments less attractive, for instance. Take the current issue of National Savings Certificates, which offers 8.45 per cent a year over five years. This worked out at 12.61 per cent gross for basic rate taxpayers before the budget but, on the lower tax rate, the figure is now only 12.07 per cent.

With the National Savings Bank investment account offering 12 per cent for money on one month's notice, the premium for longer-term money hardly looks attractive.

The sums are similar for building society depositors. The basic 8 per cent deposit rate works out at 11.43 per cent gross, fractionally below the new basic deposit rate of 11.5 per cent at most of the big banks and a good half point below the 12 per cent rate offered by Barclays.

Unlike gilts and time deposits in banks, however, building society term shares provide large premiums to investors who can tie up their money for a time. The gross yield on four-year savings at the building societies is 13.57 per cent while a £1,000 local authority bond will return 12¼ per cent compared with 11¾ per cent for one year.

The interest-rate picture is cloudy enough at the moment for most lenders to want to wait and see. It is the right strategy. Local authorities are able to draw on the Public Works Loans Board (PWLB) before taking the plunge, while the Treasury has to give at least a month's notice of a new series of savings certificates. It would probably be reluctant to withdraw the current series now in any case, as it was introduced only in January this year.

The Building Societies Association meets next on July 13 and no changes can be expected from that quarter until then. The societies will be scrutinising the volume of deposits over the next month and, if the lower gross yield seems to be luring savers away, they might be tempted to push up the deposit rate by a quarter per cent, leaving the mortgage rate unchanged.

The banks can least afford to hesitate, as shown by their speedy reaction to Tuesday's MLR increase. The local branch office may be the best place to keep spare cash at the moment, and certainly safer than taking it down to Throgmorton Street, but there is no guarantee that rates will hold up.

John Makinson

NET SAVERS' INTEREST RATES AFTER THE BUDGET

	Your tax rate nil %	30 %	40 %	60 %
BANKS				
Deposit account*	11.5	8.05	6.9	4.6
Three-month deposit†	13.13	9.19	7.88	5.25
Twelve-month deposit†	11.88	8.31	7.13	4.75
BUILDING SOCIETIES				
Deposit account	8	8	6.9	4.6
Two-year account	8.5	8.5	7.29	4.86
Three-year account	9	9	7.71	5.14
Four-year account	9.5	9.5	8.14	5.43
LOCAL AUTHORITIES‡				
One-year bonds	11.75	8.23	7.05	4.7
Two-year bonds	12.25	8.58	7.35	4.9
Three-year bonds	12.5	8.75	7.5	5
Four-year bonds	12.63	8.81	7.58	5.05
Five-year bonds	12.75	8.93	7.65	5.1
NATIONAL SAVINGS				
Five-year certificates§	8.45	8.45	8.45	8.45
Investment account	12	8.4	7.2	4.8

* Barclays' deposit rate currently at 12 per cent.
† Minimum £10,000.
‡ Minimum £1,000.
§ 18th issue held for full term.

Societies at sixes and sevens

THE SUDDEN JUMP in Minimum Lending Rate this week has fanned fears of dearer home loans—but building society chiefs appear split on how immediate the threat is.

Several general managers have felt for some time that society rates are too low to attract enough funds to meet demand from home buyers and would privately welcome the opportunity to raise their rates.

Others, like Clive Thornton, chief general manager of Abbey National, see a further rise in the cost of home loans as a very last resort. "I would rather lengthen mortgage queues than put up the rate," he says.

He is supported by Donald Kirkham, general manager of Woolwich Equitable, who says: "I think there is a good chance that we can ride out the effect of the MLR rise."

In contrast, Gerald Aspell, chairman of the Leicester, told a meeting of businessmen in Hartlepool on Thursday that societies would have to raise their rates by the end of the summer if MLR remains at its new level for any length of time.

Leonard Williams, the new chairman of the Building Societies Association and chief general manager of Nationwide, also fears a rise may be unavoidable.

He says: "If the rise in MLR was part of a medium term strategy to restrain money supply and the current rate is maintained for any time then societies would have to put up their rates."

The association's next council meeting is not until July 13. But by then society managers should have a better idea of the impact that rises in bank and local authority rates will have on net receipts.

Currently funds coming into societies are sufficient to support lending of around £700m a month, which is—because of rising house prices—financing 17 per cent fewer mortgages.

Societies' net receipts are running at around £300m a month at the moment and have improved since the beginning of the year.

But this is still well below the level needed to meet the growing demand for mortgage finance—particularly as the Government expects the building societies to help support the sale of council houses later this year.

Some societies can, however, be expected to examine the possibility of raising interest rates for investors while attempting to maintain the mortgage rate at its current level of 11.75 per cent.

Interest to depositors is paid net of tax and the lowering of the standard rate of tax to 30 per cent in the budget would appear to provide a little leeway. Also the growing importance of term shares—particularly at larger building societies—provides further stability.

But room for manoeuvre would appear to be small and much will depend on what the Government's intention was when it raised the MLR this week. If interest rates are going to be maintained at their current level for some time then dearer mortgages are almost certain.

Andrew Taylor

Krugers lose their glister

ONE OF THE more surprising measures in Sir Geoffrey Howe's first Budget was the abolition of the law forbidding the import of gold coins into the UK.

Gold coin imports were banned by the previous Chancellor, Mr. Denis Healey, in 1975, following a flood of krugerrands (South African coins containing exactly an ounce of gold) into the country in the early 1970s. Since the Budget the krugerrand's premium over its gold content has fallen to around £4 in the domestic market—little more than the premium in the international market.

By contrast in February, for instance, the UK price for krugerrands was about £15 higher than in the international market.

At that time the gold price was at a record level of $250 an ounce. Although the gold bullion price has continued to rise, the domestic premium has failed to keep pace even before the Budget announcement. Between February 26 and May 24, for instance, gold rose from $248¾ to $264¾, but the UK krugerrand price was almost unchanged on both dates at about $285½.

In terms of sterling the value of the domestic krugerrand fell over the same period from £142 to £139, reflecting mainly movement in the dollar-sterling exchange rate. Gold remains around the $280 level, and before the Budget the domestic price for the krugerrand touched $300 at times, but has since declined to $288 or £137¼, to give a premium over the gold price of just over 3 per cent.

This situation is likely to continue, since there is now no reason why the domestic premium should be any higher than in the international market.

In the past a very high premium in the UK market has encouraged smuggling.

Other coins, such as British sovereigns and U.S. Eagles, have enjoyed similar demand, but these have numismatic value and are not simply a hedge against world-wide inflation, and a growing distrust of paper money.

Any recent buyer of krugerrands could be sitting on a loss of about £8 at the moment, but if world inflation remains a problem and oil prices continue to rise, this may look insignificant in a few months.

Colin Millham

When it pays to split

FOLLOWING THE latest income-tax cuts, the minimum level of joint income at which a couple may be better off choosing separate taxation is £14,930. This figure applies where the couple's total income is not more than four times the lower-paid partner's earnings and where each is entitled to just the basic personal allowances. Where a couple has allowances for mortgage interest and other extras, the threshold is that much higher.

The corresponding figure last year was £12,449.

For couples with a joint income of at least £16,000, separate taxation may make sense even where the lower-paid partner's earnings are as little as 15 per cent of the total. For couples with a joint income of at least £25,000 the minimum proportion for the lower-paid partner falls to 10 per cent.

Eamonn Fingleton

Agony and ecstasy for sun-seekers

THE Budget has given the UK resident an ability to move money abroad which he has not enjoyed since before the Second War. There is virtually no restriction left on the purchase of holiday homes abroad. The travel allowances appear almost completely elastic so long as the spending is relevant to travel. The emigration allowance must now act as a constraint only on those with more than £½m to their name. It is only in the buying of foreign securities that the disincentive, for the small investor, has been retained.

Property first. You can now buy any number of houses abroad so long as they are for residential use. You should no longer buy them through the investment currency premium, because they no longer can be sold for premium currency.

Your bank is now empowered to allow you to change £100,000 per family per year into foreign currency at the market rate for the purchase or improvement of residential property. If a castle in Spain is going to cost rather more than that you can borrow foreign currency provided that the servicing cost of the debt does not exceed the £100,000 annual allowance.

Quite a castle, nevertheless. Till now, houses abroad had to be bought through the investment currency premium *even if the seller was another Englishman.* In the wake of the Budget there is no limit to the amount you can pay a UK resident in sterling for his Greek villa: the limits above refer only to payments to non-residents.

The unhappiest impact of the Budget is upon those who bought overseas property through the premium. Since budget day such property is no longer eligible for sale through the premium, and the proceeds must not be used for buying other sorts of investments, like foreign shares, which still have to be purchased via the premium.

The premium—which could have accounted for anything up to one-third the price of the property—is therefore lost unless payment reached your bank by last Tuesday.

The potential seller has two scant sources of consolation:

● The Chancellor's earlier undertaking to "dismantle" exchange control has in any case made the investment currency premium a shadow of its former self—on Thursday it was standing at 11.73 per cent compared with 42 per cent at the beginning of this year.

● There is a prospect of marginal price rises in the British market for properties abroad because of the new ease of entry into this market. One would expect such rises to occur more on property in British enclaves like the Dordogne than in concrete conurbations of continental sun seekers where Britain's financial fire-power is relatively small.

Those who wish to emigrate despite (or perhaps because of) the Tory Budget may now take much more with them than before. They can start by buying residential property, before they go, for up to £100,000. Then they can take £200,000 with them leaving any excess in the UK for four more years. This new initial allowance compares with the previous figure of £80,000 to countries in the EEC and £40,000 elsewhere.

For some time now the emphasis on travel allowances has shifted away from an attempt to prevent Brittons spending too much sterling on holiday to an attempt to prevent them using that spending as a disguise for capital exports. The Budget has raised the limits further and there is no practical limit to the amount you can spend on foreign travel provided the money does not go on capital items.

Your bank can provide you with £1,000 per person per trip in foreign currencies or travellers cheques—£2,000 if the trip is for more than two months. You can also take £100 per person in sterling cash. The allowances for business trips are still greater.

You can ask your bank or UK travel agent to pay large travel expenses—hotel bills, cruise tickets, car hire charges—in addition to these cash limits. When abroad you can use your cheque book and cheque card, and charge travel expenses on credit cards. Banks and credit card companies are obliged by the Bank of England to monitor such spending, but they will only start to ask questions if the pattern and scale of the spending appears inconsistent with travel needs.

Nicholas Colchester

Pensioners get the cream

SMALL INVESTORS, particularly retired ones, are among the biggest beneficiaries of the Budget.

They gain not only from the general cut in income-tax but from measures aimed particularly at them. The biggest boon is the increase in the threshold for investment income surcharge. Under the new rules the surcharge will be paid only on investment income above £5,000 a year and at a uniform rate of 15 per cent. This replaces a complicated two-rate system in which the tax started at £1,700 a year for most savers and at £2,500 a year for people over 65. Under these rules an investment income of £5,000 a year bore a surcharge last year of £617 in the case of the under-65s and £350 in the case of those over 65.

The over-65s gain from much higher personal allowances: the single person's age allowance has gone up from £1,300 to £1,540 and the married man's age allowance jumps from £2,075 to £2,455.

The threshold at which the extra allowance for age starts being whittled away has been raised from £4,000 a year of gross income to £5,000. The formula for reducing the allowance remains unchanged: for every £3 of income above the threshold you lose £2 of allowance.

The effect of the changes is particularly dramatic for middle-income pensioners. A single person over 65 with an income of £5,000 a year all from investments will, for instance, now be paying total tax of just over £1,000 compared to £1,615 before.

A hidden extra bonus for many savers who will no longer have to pay higher rates of tax is that they will have more flexibility in their savings arrangements. They will no longer, for instance, have to be so careful about the timing of early surrenders on building society linked and other regular premium insurance plans.

But there are snags for some savers. A particularly treacherous problem arises for the over-65s in the band of income just above £5,000 a year. For every extra £3 immediately above £5,000, an elderly person will suffer direct tax of 90p (30 per cent of £3) plus, indirectly, further tax of 60p (30 per cent on £2 of income which was previously covered by the age allowance). That makes a total of £1.50—an effective rate of 50 per cent.

Most other people will now suffer such a swingeing marginal rate only on income above around £17,000 a year.

The 50 per cent effective marginal rate will apply up to £5,562 a year in the case of the single elderly and £5,960 in the case of married men. Above that level the marginal rate will fall again to 30 per cent.

Pensioners faced with the 50 per cent trap may be able to sidestep it if they make use of tax-free investments such as the 18th issue of National Savings Certificates or the special inflation-proofed issue for pensioners. Another idea is to use single premium bonds to defer the tax bill for a few years until a time when they may be safely out of the 50 per cent quagmire.

Eamonn Fingleton

What the experts think

THE BUDGET revolution has freed thousands of high-income savers and investors from the shackles of the tax avoidance industry, according to the M and G unit trust group's investment guru, David Hopkinson.

He says: "Investors will no longer have to tie themselves up in knots with complicated insurance arrangements and they will be able once again to concentrate instead on what really matters—the choice of underlying investments.

"I have always felt that single premium bonds have had only limited usefulness for high-rate taxpayers but now the case for investing direct in unit trusts is even stronger.

"The whole Budget has been a very powerful incentive to save — at any rate once this weekend is over."

The Budget enhances the attractions for fledgling entrepreneurs of trading in their own names rather than through a limited company, according to accountant Eddie Ray.

All but the most successful new businesses will now pay much less tax if they are unincorporated.

As Ray points out, corporation tax rates were left unchanged by the Budget and remains at 42 per cent for small businesses. A sole trader claiming just the basic personal allowance has to be making about £30,000 a year before his total personal income tax will top 42 per cent of his income. If he is in partnership with his wife the figure is nearly £60,000.

Ray was already an advocate of remaining unincorporated even before the Budget. One point that impressed him particularly was that since last year unincorporated traders have been able to offset losses in the first years of their new business against PAYE tax paid in the three previous years.

Robert Greenly, an expert on employee benefits, is upset that the Chancellor did not clear up the confusion about the use of scholarships as a fringe benefit for executives.

Until last year many employers provided scholarships to help their staff educate their children at public school and university. But the schemes were killed off when the Inland Revenue announced in a Press release its opinion that the benefits are taxable in the hands of employees.

Greenly points out that the Revenue's reading of the law is hotly disputed by independent legal experts. But employers have had no option but to discontinue their schemes. This was because the Revenue's statement was taken as a clear warning that anyone challenging its view would have to fight his case right to the House of Lords.

Not only would that mean that the issue would remain unresolved so long that the result would be largely irrelevant for the family concerned, but the employee would have to pay huge legal costs.

Greenly comments: "This is government by diktat. What is involved here is a disputed point of law and the right way to sort out the problem is to clarify the law. We are disappointed that the Chancellor did not do so."

UNIT TRUST AND INSURANCE OFFERS

صلاة الأصل

YOUR SAVINGS AND INVESTMENTS

The City's Budget change of heart is the subject of the latest instalment in Richard Lambert's correspondence with one bewildered investor

Dear Mother-in-law,

You mustn't be rude about my friends. It is true that the City was tickled pink—sorry, blue—at the idea of a Conservative Government. In fact, share prices hit an all-time high the day after the election. It is also true that in his Budget this week, Sir Geoffrey Howe did more or less exactly what the Tories had been promising.

But just because his speech has been followed by loud groans and tumbling share prices, it does not follow that everyone in the City is mad.

Or not completely so, at any rate.

In the first place, you must understand that there is all the difference in the world between heady election rhetoric and the financial facts of life. It is better to travel hopefully than to arrive, as poor Cousin Percy observed when the Fraud Squad finally caught up with him.

And the facts of life really are rather harsh—so much so that Sir Geoffrey had a terrible job to square election promises with financial commitments. Some budget arithmetic will help to show the tight framework within which he had to work: the public sector borrowing requirement plus bank lending to the private sector equals the sale of Government debt plus the growth in the money supply and in finance from overseas.

Don't worry about the detail. Just consider the pressure that has been building up on the different bits of the equation. For one reason or another, the public sector's future borrowing needs have been rising fast in the past few months, and the Tories' promise to cut income-tax has limited the extent to which Sir Geoffrey has been able to rein the figure back.

In addition, bank lending has been shooting ahead recently. And the new Government was firmly committed to limiting the rate of growth in the money supply.

So to make the sums work out, Sir Geoffrey either had to reckon on selling a lot more Government stock, or he had to slam down on bank lending.

To achieve that, he did something which almost nobody had been expecting—he pushed up the Bank of England's Minimum Lending Rate by two points to the crisis level of 14 per cent.

The news came as a bolt from the blue—and it was combined with another nasty. The Government now expects the year on year rate of inflation to rise to 17½ per cent in the autumn. And although that figure is distorted by the once-for-all impact of the increase in indirect taxes like VAT, the Treasury reckons that inflation could still be as high as 13½ per cent in the following 12 months.

So a lot of UK companies face a pretty lean 12 months. There is going to be pressure for big wage increases. The home economy is being squeezed flat, and export margins are being bit by the strength of sterling.

Credit is likely to be in short supply for some months, at anything but penal rates. The prospects for dividend growth do not look too rosy, even though companies can now pay out whatever they want.

Shares on *average* yield under 5½ per cent. That compares with around 14 per cent, risk free, in the short term money market.

What this boils down to is that equities could be in for a bumpy ride for the next month or two. Gilt-edged stock should be a much better bet—provided that the Government sticks firmly to its guns in the face of what could turn out to be hot opposition.

And please don't hold me *personally* responsible for every 20 point movement in the FT Index.

Love,
Richard

An interesting omission

SAVING
ERIC SHORT

THE MOST important message for many savers in the Budget speech was not in what Sir Geoffrey Howe said—but in what be did not say.

He made no move to tighten up the tax clawback procedures on early surrenders of endowment policies. The omission is particularly significant for savers with building society linked insurance plans. These money-spinning investments can be cashed in with no clawback after just four years under present rules. And, thanks *mainly* to the usual life insurance premium subsidy, the net return they offer over four years is a phenomenal 13 per cent or so.

There bad been fears in the life insurance industry that with the growing popularity of these schemes, the Chancellor would be persnaded by the Inland Revenue to increase the minimum period for clawback on surrenders.

Two other aspects of the Budget also boosted these schemes:

● The tax relief on insurance premiums was held at 17½ per cent whereas under the old tax relief system it would have fallen to 15 per cent (half the new basic rate).

● Lower marginal rates and higher allowances mean that those investors who suffer higher rate tax on cash-ins after four years will now have a much lower tax bill.

The surprise is that until now so few savers have cottoned on to the advantages of these plans. The life companies leave the marketing to the building societies. Little or no commission is paid, which means there is no incentive for brokers to sell. But this could change and more aggressive selling could be seen in the near future.

The pattern has probably been set by Bristol and West Building Society and Equitable Life. Fortuitously anticipating the Budget, they have improved their scheme to make it more attractive to older investors, by cutting to the absolute minimum the amount of death cover.

Other life companies and building societies are likely to follow this lead. And this could be building up trouble in future for the whole life insurance industry. Admittedly these building society schemes do not involve the sort of blatant gimmickry of some tax avoidance schemes. But it is abusing the purpose of tax relief on life insurance in that it should apply to 10-year contracts.

But Equitable's general manager, Barry Sherlock, takes a different view. He regards the company's link with Bristol and West in the marketing of these schemes as complimenting *his* range of traditional with-profits plans. They enable investors to meet commitments less than ten years ahead and provide the guarantee of a surrender basis not available under with-profit policies. The plans perform a useful role in, for instance, meeting school fees.

Some life companies fear that the reprieve does not mean that the Chancellor has given his blessing to the idea. So the Revenue may still move to extend clawback rules.

The price of truth

INSURANCE
JOHN PHILIP

INSURANCE is the means whereby we transfer the potential financial consequences of some or many of the risks we run from our own small pockets to insurers' more extensive funds. The risks I run of damage, injury, liability and so on, though broadly similar to those presented by my friends, relatives and neighbours living in similar circumstances are nevertheless personal and peculiar to myself and so at least marginally different from the risks of similar people in similar circumstances, and perhaps considerably different.

In risk assessment insurers are concerned to establish an objective average normal risk (or more probably a number of averages) and then by proper evaluation of the potential the individual poses to see how far he deviates from the average. This deviation is then reflected in the premium charged and the cover provided.

Though computer analyses have allowed the development of a mass of statistics in the personal insurance sphere and while as individuals we each make our contribution to *insurers' statistics*, we must remain individuals, so long as we want the preservation, perhaps the elaboration, of present rating structures, so that we each pay premium appropriate to the risk.

Because we know the particular features of the risks we are asking insurers to cover, we each have the duty to tell insurers all the material facts to enable them to see whether we are close enough to their established averages to be acceptable on normal terms or if not what differences there are.

Modern proposal forms are designed to elicit information on both aspects of the risk—to get the broad picture, so as to slot the proposer into the correct rating category, and to bring out the individual variations. But it is impossible for insurers to devise forms containing completely exhaustive lists of questions, and so each one of us is legally obliged to give additional information outside of the range of answers demanded by the printed questions if this information is material to insurers' assessment of the risk.

Despite the present debate on modification of the duty of disclosure, in the present state of the law the proposer's duty remains strict, though in the case of personal insurances it is ameliorated by market practice which requires information to the best of the proposer's knowledge and belief.

But performance of this strict duty need not be onerous if one makes a commonsense approach and asks oneself the simple question—what makes my insurance differeot from most others?

Take home buildings insuraoce. The vast majority of homes are built of brick or stone with tile or slate roofs and only a modicum of timber for floors, doors, roof beams and joists and so on. But some houses are wholly or substantially of timber construction while others have thatched roofs. Thatch in a Berkshire or Somerset village may be commonplace but it is a matter of common sense that houses of what insurers call non-standard construction present a fire risk greater than average, that information about that extra risk is material to insurers' assessment, and must be disclosed. For the most part, insurers' house proposal forms, however short, ask positive questions about construction, but if for some reason they do not, this kind of information is material.

Over the years many personal insurance forms have been truncated, so that the bare minimum of questions are asked and insurers rely on a "wrap up" question, in effect asking is there anything the proposer should be telling them.

Much annually renewable disablement cover has been and is still sold on little more than name, age, sex and address basis, though where cover is required for sickness as distinct from accident more detail of the individual can be sought. Whatever the question the proposer's duty is to inform insurers of physical defects.

Millions of people have less than perfect sight which has to be corrected by spectacles. Because it is so widespread, such sight, and the wearing of spectacles, is no material—but blindness or virtual blindness in even one eye is material. Similarly while most people have feet of slightly different size they have legs of virtually similar length—but anyone with one leg shorter than the other, whether naturally or from accident has a material fact to disclose.

Among insurers' most detailed questionnaires are motor proposal forms, but even with the private car proposal the questions are not exhaustive, relating as they do mainly to the proposer and not so much to other potential users. But physical defects affecting the driving capability of family or friends who are likely to drive are material even where no positive questions are asked.

Anyone asking insurers to cover a standard production line 1300 cc saloon without giving any more detail leaves insurers to assume that they are insuring just that and nothing more; it is very material for them to know that the motorist has taken out the manufacturer's engine and replaced it with one of very different and much higher performance.

FINANCE AND THE FAMILY

A bank account under an alias

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

For domestic reasons I have been keeping my bank and building society accounts in another name. If they were to be notified that this was the case, would the bank or building society do anything about it?

If the "other name" is a person who has acted on your behalf, he or she is a nominee or trustee for you; and no difficulty will arise. If it is an alias you could have some difficulty in establishing your identity to the bank unless you use the same alias (other name) in other transactions or circumstances. However, you are not prohibited from using more than one name and should not be at a disadvantage if you can satisfy tha bank that you are the person whose account is the account in question. The bank may wish to note on its records both your names if it is apprised of your having more than one.

Household refuse

On May 5 under the heading Household refuse, you suggested to a correspondent that tha nature of the refuse decided whether the Local Authority could charge for its collection under the description of "trade refuse." My district authnrity has indicated that in their view the case nf "Trades Mutual Employers Insurance Association Ltd. v Sheffield Corporatinn (1974)" decided that domestic refuse is refuse produced from a house and that the character of the premises (not the character of the refuse) determines the definition. As this is a more recent case than the 1906 case to which you referred, would you agree that this is correct?

We agree that the decision in *Iron Trades etc. v Sheffield* (1974) (WLR 107) applies a more up-to-date test namely that house refuse is refuse produced by a house and of a kind which one would expect a house to produce when occupied as a house. However, the refuse from chalets is still house refuse within this test.

Unit trust disposals

For the year 1978/79 I brought forward from previous years, capital losses of £938. During the year I had chargeable gains (a) on Unit Trusts of £749 and (b) on shares, of £545, making a total of £1,294. The first £1,000 being at a nil rate, left £294 to be deducted from previous losses, £644 being carried forward. I asked the Inspector if 17 per cent of the Unit Trust gains should be deducted from the losses but he says "no credit can be due" since there is no CGT liability. Is be correct?

If you have already agreed to the £294 losses being deducted from the 1978/79 cbargeable gains of £1,294, there is probably nothing you cen do. The potential credit cn disposals of qualifying unit trust units etc is limited to the potential CGT liability for the year in which the units are sold—so, if there are no net taxable gains, there can be no credit.

However, if you have not yet agreed to the deduction of the old losses from the 1978/79 gains (or if you can resile from any such agreement which you may have made), your best move is to tell the inspector that you wish the 1978/79 assessment to be made as follows, in accordance with what is now section 4 (1) of the Capital Gains Tax Act 1979:

Qualifying gains	749
Other gains	545
Taxable amount	£1,294
CGT payable at 15 per cent on £294	44.10
less: Credit to cover ...	44.10
	NIL

(Losses carried forward: £938)

Central heating and rates

Under central heating and rates (April 28) you say that central heating installed since April 1974 does not give rise to an increase in rateable value. This leeds me to wonder why the rating form recently received asks the qoestinn at No 3 "is there central beating?"

If legislation bars the increase of rates for that purpose, what is the sense ln the qnestion please?

Section 21 (i) of the Local Government Act 1974 which makes provision for the disregarding of central heating installed after April 1, 1974, takes effect only until the next revaluation. The question on the rating enquiry form is therefore a proper one, as it is directed to valuation for the next revaluation.

Units and tax credits

Referring to your reply under Units and tax credits (May 5) my unit trust tax credits are treated exactly as are dividends, i.e. in practice ignored by the Tax Inspector except for calculating the investment income surcharge. Could you please expand on your statement "have the credit set off against income tax" under the Finance Act 1972?

The tax credits on distributions by authorised unit trusts are indeed treated in exactly the same way as credits on dividends paid by UK companies: the subsection quoted in the reply published on May 5 applies to both (by virtue of section 354 of the Taxes Act). In practice, as you say, inspectors do not waste time and paper carrying out the full formalities laid down in the Taxes Acts, but the reader posed a formal question (without lndicating wbether he was concerned with a particular case or with general principles and wa gave him e formal reply.

Tax recovery from abroad

My son hes been domlciled and resident in Canada for about 15 years. He has no British income and has paid nn British income tax for many years. In 1978 1 signed a covenant to pay him £300 pe far seven years or more on the assumption that as he paid no British income tax he could recover basic rate tax on that amount. Repayment of this tax has been refused nn the grounds that as he pays Canadian income tax he is not entitled to it. Could ynn kindly let me know if the Tax Inspector ls correct in this?

If your deed was executed during 1977-78 (and the first payment fell due ln that year), it ls uolikely that any repayment of UK tax will be due to your son for that year, but this depends npon the size and composition of his income from sources outside the UK (and upoo his personal circumstances). The relief due to non-resident Commonwealth citizens (under section 27 of the Incoma and Corporation Taxes Act 1970) is outlined in a free booklet, IR20 (Residents and non-residents: liabillty to UK tax), which is obtainabla from most tax Inspectors' offices.

For 1978-79, he shonld be able to recover 8 per cent (out of the 33 per cent tax yon withheld), regardlesa of his income from overseas sources, under section 13 (a) of tha Financa Act 1978.

Yon seem to have misunderstood the tax inapector's reason for rejecting your son'a claim (which we presume related to 1977-78, since hia claim was apparently rejected completely).

Incidentally, the double taxation agreements between Canada and the UK signed on December 12, 1966, and September 8, 1978, do not significantly affect your son'a UK tax position. Article 16 of the 1966 agreement and article 17 of the 1978 agreement (wbich is not yet in force) do not extend to gratuitous annuities.

Aquia Timet injunction

The local council recently connected many houses in the district to e new sewage scheme and a pumping statinn has been built in a field adjecent to farmland I own. I have found that an overflaw pipe has been connected from this installation to a roadside ditch which passes through a field of mine close to my house. 1 am told this ls normal practice. What steps dn you think 1 should take to ensure that contamination of my watercourse shonld not arise?

If the overflow pipe does not itself trespass on your land there is little that you can do without nndue expense to yourself. You can of course lnform the Water Authority (or other owner of the pumping station) that they will be held liable in damages for any sewege which is discharged through your property. You can also pursue the remedy of seeking en injunction from the High Court to prevent the apprehended damage: a quia timet injunction. The trouble is thet such injunctions ere often refused and you might therefore go to some expense to no avail. That is, however, your only way of preventing the occurrence rather than claiming damages.

CGT gains and losses

1 bought 1,000 shares in the Britannia new issue Unit Trust on September 28, 1962, at 5s each and 1,000 of September 28, 1963, et 5s 6½d each and snld the lot on February 16, 1979, fnr 39.2p each. The valne for CGT nn April 6, 1965, was 26.7p. Am I right ln assuming that under paragraph 200 nf the Inland Revenne 1973 bonklet CGT 8 that the second betcb which shnw a loss compared with April 6, 1965, bnt e gain at Febrnary 16, 1979 are treeted as no gain, nn loss?

No; you heve misunderstood the Inland Revenne's explenation of the rules, in booklet CGT8 (but you are by no means the only reader wbo has found the official explanations difficult to unravel).

Bougbt	Cost	Doomsday value	Proceeds		Chargeabla gain
28.9.62	250	267	397	£397—£267 =	130
28.9.63	290	267	397	£397—£290 =	107
	£540	£534	£784		£237

Assuming that you have nnt made (and do not intend to make) the election for ordinary shares, etc., mentiooed in paregraphs 201 and 202 of lhe booklet, the chargeeble gain arising cn the sale of the 2,000 units is £237, as above:

If you mede (or bad already made) an election (under wbet is now peragrapb 4 of schedule 5 to the Capital Gains Tax Act 1979), the cbargeable gain would he £250, that is, £784, minus £534.

The chargeahle gain carries a CGT credit of up to 17 per cent, so no CGT will actually be payable on it unless your total net taxable gelns for 1978-79 exceed £5,000. If your other taxable gains for 1978-79 were exactly £5,000, tbe tax liability on tbe Britannie units would be at 33 per cent, in effect:

CGT at 50% on £237 =	118.50
less: 17% credit	40.29
Net liability at 33%	£78.21

Some corner of a foreign field

TAXATION

DAVID WAINMAN

THE INDIVIDUAL who leaves this country to work abroed—it being a reasonable supposition or certainty when be goes that be will be away for a perlod of one complete tax year or longer—will be a "non-resident" from tha date be leaves. If the extent of his stay ls uncertain at that time, he can still be adjudged non-resident effective from departure, but this stetus will be granted retrospectively rather than in advance.

If all of the duties of this overseas employment are performed abroad, then retaining a house in the UK will cause no difficulties. On the other hand, if the employee is engaged while in the UK in activities related to his work, then he is vulnerable.

The tax legislation permits him to perform here only duties wbich are "incidental," and the Revenue interpret that word as being most restrictive. Being asked by the bosa abroad to deliver a letter to head office when be comes home on boliday ia all right. But it is almost certainly all wrong to report in to head office to diacuss the results achieved in the overseas endeavours, and to agree plans for the naxt pbase of those activities.

However, the individual wbo does not stay abroad for long enough to achieve non resident status, may not have lost his all. And similarly, there may be something still to be salveged from tbe wreck by the man wbose duties and accommodation bere have run him onto the rocks. The next best thing to being non resident is to establish wbat tha Finance Act 1977 terms a long absencc.

Earnings for tha period of such an absence are effectively freed from UK tax—but tax liabilities on other classes of income and on capital gains are not avoided. The individual is, by definition, a UK resident throughout, and he cannot, therefore, escape those other taxes.

It is also worth noticing that the law does not actually exempt his earnings—they still remain within the charge to tax under Schedule E, because the draftsman despaired of re-amending the schedule to remove them. What he did instead, in order effectively to achieve the same result, was to grant the individual a "deduction" equal to the earnings concerned.

The definition of a long absence is "a qualifying period of at least 365 days." It is perhaps unsurprising that this is frequently abbreviated to 365 days, but a large part of its meaning is lost when this happens.

The concept of the qualifying period is simple, although the arithmetic needed to demonstrate its achievement may be more tedious. It is defined as comprising days spent abroad, but counting in also intervening days back in the UK provided that those latter days fall within two requirements.

The first requirement is straightforward: no single period spent back ln the UK may exceed 62 days. (An individual ls abroad only if he is out of the UK at ooe minute to midnight on the day concerned.)

It is the secood of the requirements wbicb usually requires the individual to count bis days rather more carefully. At the end of bis second period of continuous absence, be must count the days abroad in that stint, plus the days be bad earlier speot abroad, plus the days spent in the UK in between. If tbe days in the UK ere less than one-sixth of the total, the aggregate number of days can be regarded as counting towards (or as) a qualifying period of 365 days.

If the one sixth test ls failed, this automatically disqualifies both the original absence and the intervening days. The recount towards a qualifying period can then only start from the beginnlog of the second stint abroad.

The calculation must be made et the end of the second, and every subsequent period spent abroad. And the 1977 rules do not allow a taxpayer to ignore for instanee bis second eount (showing tbat be bad then overstayed his welcome) on the footing that he has corrected this position hy tbe time of his third count. Ignorance was permitted under the 1974 legisletion, end one of the reasons for the 1977 amendments was its abolition.

A qualifying period of et least 365 days can start at any date in e fiscal year, and similarly can end et any date. But earnings are assessed for fiscal years—in just the same way as all other income is related to fiscal years for assessment purposes. The "deduction" already referred to is the mechanism which reconciles these two differing principles.

Let us assume that an individual whose salary has been £10,000 per annum moved to a new job on July 5, 1978, in which his first year's earnings were £12,000. Four months after he started this new job, his employer rocketed him abroad (on Guy Fawkes day) for a period which looks like extending to Febuary 5, 1980. If it does, and if he pays the necessary attention to his time spent back in the UK, he will have a qualifying period of 15 months.

Five of those months will have been in 1978-79, and his assessment for that year will be:

3 months at £10,000 p.a.	£2,500
9 months at £12,000 p.a.	9,000
	11,500
Less deduction 5 months at £12,000 p.a.	5,000
	£6,500

The remaining ten months will provide a deduction of £10,000 against eernings of £12,000.

But there is one way in whicb the legislation envisages this "time proportion" should be bettered. If be leaves his employment on February 5, 1980, and is given a month's terminal leave, the salary for this can be related back into the qualifying period before February 5—regardless where he spends his leave. He therefore has salary for ten months to thet date of £11,000, and a reduction of an equal amount.

The other possibility of improving the calculation is more problematical. It applics more often in the cese of sbort absences entitling an employee to a 25 per cent deduction after 30 days abroad in a fiscal year, than it does to the long absences with which we have been concerning ourselves.

The taxpayer can argue, provided that he can produce some evidence to support lt, tbat his duties abroad carry a higher degree of responsibility and/or require a greater amount of effort, so that they merit having ascribed to them a bigher level of remuneration tban is paid in our illustration could claim, for instance, that bla earnings for the four months July 5 to for UK duties. The employee November 5, 1978 were at a lower level than those of the five months spent abroad from the later date. He may try to strengthen his case by baving a separate employmcnt contract witb an overseas associate company for the period abroad.

The Inland Revenue are known to be unsympathetic. But the possibility of such a claim does bring out one point which has been insufficiently stressed so far. That the 365-day relief (and for that matter the 30-day relief), are not limited to jobs of which all of the duties have to be performed abroad. The employee can work both here and elsewhere—and can have one single employment contract regulating both. His tax relief is based on days abroad, not on a foreign contract.

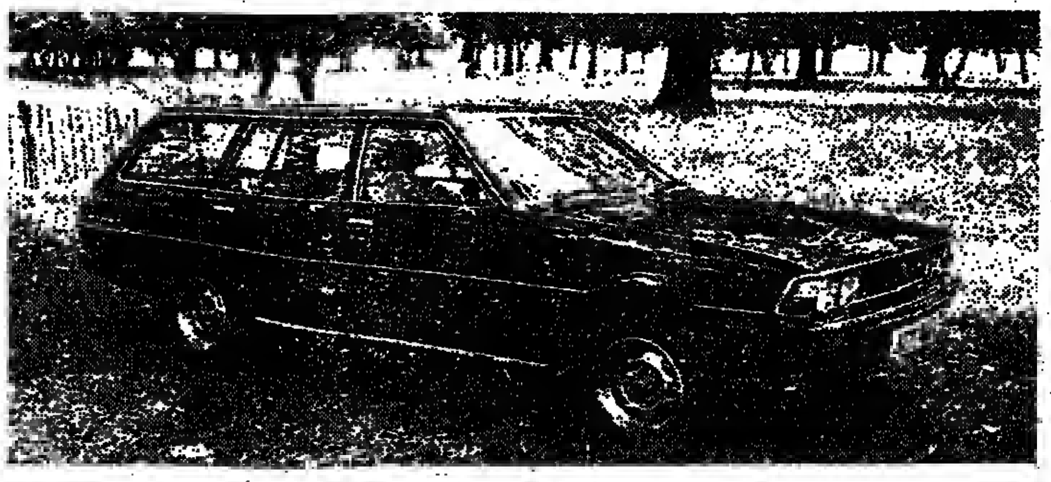
MOTORING

Japanese test of reliability

BY STUART MARSHALL

JAPANESE CARS have earned a good name for reliability. The AA has praised them for giving its members so little trouble. Dealers claim their warranty costs are to be measured in pence, not pounds. Recently, Belgium's official consumer report gave Mitsubishi cars top rating (along with Mercedes and BMW) for the lowest incidence of breakdowns.

All of which has tended to create a myth of infallability concerning the Japanese product. However, I have to report that the Mitsubishi Colt Sigma 2000 estate in which I have covered nearly 2,000 miles, has not been without its faults. It reached me, straight off the boat, having had only a pre-delivery inspection and with 144 miles on the clock, a little over three months ago.


The Mitsubishi Colt Sigma 2000 estate

For a start, there is the creak. It's a cross between the noise made by Count Dracula's coffin lid swinging open and one of those electronic tills at the Heathrow duty free. It lives behind the fascia, eluded the local agent who carried out the 600 miles service, and plagues me daily.

A couple of bits of plastic decoration and a name badge detached themselves from the body last month and I think the radio aerial can't have been trimmed properly. Even by post wave-length change standards, reception on Radio 3 is awful. (Can any reader get Radio 3 perfectly on medium wave in the South East, I wonder—or must one go to the expense of an FM set?)

And that is about it. Otherwise, the Colt has been everything an up-market two-litre estate should be, though I wish Mitsubishi would run to a better grade of carpet. If I had not fitted a set of Stylex plastic mats, the heel of my left shoe would have rubbed a hole by now, just below the clutch pedal.

The Sigma is of conventional design. The engine has twin contra-rotating balancing shafts hidden away in the block and is very smooth running indeed, right up to the permitted 6,000 rpm maximum. It makes a curious grunting sound at low revs, while warming up but is so flexible that the 90 mph fourth gear can be used all the time in traffic and the overdrive fifth may be routinely engaged at 30 mph.

On a gentle journey, close to 30 miles per gallon of two star is obtainable. My 2,000 mile average of 23.5 mpg reflects a lot of short trips, many in cold weather when the automatic choke was in action five or six times a day. The tank holds a useful 11.7 gallons and has a locking filler cover.

The driving position is excellent, with a seat that has more than enough rearward adjustment for tall people, that tilts and reclines and has variable lumbar support, just like the new Jaguars. The controls are business-like: the halogen headlamps are powerful yet non-dazzling: and the instrument layout is a model of clarity. One key works everything — doors, tailgate, ignition and petrol flap. There may be theoretical objections but it is so convenient in practice.

The ride is above-average for an estate car, and especially a Japanese estate, which tend to have extra-strong rear springs because their domestic market owners invariably overload them. Handling is competent rather than sporting and the recirculating ball steering is light for parking at the cost of being just a little slack around the middle on the straight. The lock is good; the Bridgestone steel-belted radial tyres are quiet running and have ample wet grip.

A typical Sigma buyer might be a business motorist who needs executive saloon comfort during the week coupled with the capability of shifting bulky loads at weekends. The interior, with its soft, cloth upholstered seats, has no "work horse" connotations at all and is really quite luxurious. Lowering the rear seat backrest (a single handed job) extends the carpeted load floor from its normal three feet one inch to five feet five inches. The spare wheel fits in a cradle underneath.

In size, the Sigma is smaller than most of its price competitors. It costs £5,299, which is over £400 more than the basic, much larger Peugeot 504 estate. But that, of course, is a utilitarian vehicle compared with the Colt. The Ford Cortina Ghia 2000 estate—perhaps the nearest to the Sigma in trim standard—is more than £300 cheaper as well as being considerably larger inside. The Colt's just over 12 hundredweight payload, however, is better by far than any of its size and price rivals.

In styling, the Colt is agreeable and different. There is a lot of curvature in the body sides, which gives good hip room and looks rather nice. But it does mean that the average car wash misses the really dirty, mud-spattered bits below the doors.

All the equipment one expects to find in a £5,000 plus Japanese car is there. The laminated screen and the windows are tinted; there is a highly effective heating/ventilation system, with a fan that blasts out enough face-level fresh air to let you keep the windows closed in a summertime traffic jam. Three-speed wipers and quadruple washer jets keep the screen clean; the heated rear window has its own wash/wipe. It's a pity the twin exterior mirrors are not adjustable from inside the car and the rear fog lamps, which hang down vulnerably, look rather an afterthought.

The Colt Sigma has replaced a Morris Marina 1.3 estate that served me reliably and well for nearly three years, even though it was the world's most boring car to drive. If the Colt, with its 100 mph-plus maximum, lively acceleration and splendid five-speed gearbox is as trouble free, we shall get on well together. Providing of course, I can get rid of that maddening creak.

Car computer

Tiny electronic computers that tell the driver how far he has travelled, how much fuel he has used, his average consumption and speed on a journey have been available in the U.S. for some time. With a 7-litre V8 guzzling gas by the gallon, this is the sort of information I would prefer not to know. However, if the data is sensibly used, it can help a driver to save precious fuel.

The Chrysler Horizon has been on the market in France with a trip computer since last year. It was probably the main reason why it pushed the Fiat Ritmo into second place in the 1978 Car of the Year competition.

An announcement can be expected in a few days' time about the availability of the computerised Horizon in Britain, too. Like the digital quartz clock and the pocket calculator, it will soon be commonplace.

TRAVEL

Winding down in pretty fishy Ireland

BY PAUL MARTIN

Action at Westport sea angling festival

SURELY NO organisation works harder than the Irish Tourist Board, and yet the fates seem to be against them. My recent visit to the disarmingly pretty and intensely fishy town of Kinsale coincided with a petrol crisis, rapidly solved by the introduction of minimum purchases, a damaging postal strike and problems with the telephones.

All visitors to Ireland, whether taking their own cars or hiring a self-drive, are now being issued with vouchers promising a supply of petrol at specially nominated garages throughout the country. Only experience in the next few weeks will show if the scheme works.

Although I had, on previous visits, passed through Kinsale, only 20 miles from Cork ferry-port, several times, I had never stayed there, an omission I was delighted to rectify.

Kinsale, set at the foot of gentle, green Irish hills, is in a favoured setting and well protected from the open sea. Once a major port and an important naval and military base, it has today found a new role as an excellent deep-sea angling centre.

My own past fishing had been limited to the delightful but indolent pursuit of going out for mackerel in high summer but, on the try-anything-once theory, I went out with some hardened, experienced deep-sea men who had come over on a package from Holland.

The skipper, Arthur, had spent the previous summer crewing a yacht down to the Azores and, in spite of his fairly tender years, handled the craft with expertise when it blew up to Force 5 on our return from the fishing grounds off the Old Head of Kinsale.

My Dutch colleagues with, surprisingly, very limited English between them, carried on board a wide assortment of the most up-to-date tackle. One of their number, a corpulent, bearded character, produced a massive gaff designed, I imagined, to land a blue shark. In the end we had to be content with some thirty pollack plus a couple of ling.

Strangely enough, I, Muggins of the party, abandoned the use of mackerel as bait and, adding an additional weight and using only feathers, managed to land a 7½ lb pollack to my own amazement and to the surprise of the experts. No monster but the day's biggest!

While Kinsale's activity holidays mainly revolve around angling, long the province of Peggy Green, the produce of the sea features prominently in the excellent restaurants dotted around the town and harbour.

They have also set up their own Tourist Committee and, in addition to staging their third Gourmet Festival between October 11-14, they also produce a Good Food Guide which provides valuable information on the specialities served and the time of last orders. With no time to sample them all, I can certainly recommend The Vintage, the very attractive Max's Wine Bar—Max being not a gentleman but a large German police dog totally obedient to a nice, trendy lady called Wendy—and The Blue Haven, where I stayed in the town centre.

The Blue Haven is a real find. It is simple and unpretentious with the most attractive bar in town where Brian Cronin and his wife, Anne, serve up tasty and imaginative bar snacks at lunchtime with a full restaurant service in the evenings. This is Ireland and the bar closes only in the early hours when the last satisfied customers have left.

Three establishments combine deep-sea angling with quite a range of accommodation. I am quoting high season prices (July 1-September 30) and the all-in costs, covering three days' deep-sea fishing, are based on a seven-night stay. Hillside Guest House, on a bed and full breakfast basis, charges £68.25. A seven-night stay, with full breakfast and table d'hote dinner, works out at £129.89 at The Blue Haven while, if you want more luxury, the cost at The Monastery Hotel, set above the town and overlooking the River Bandon, is £171.50.

On a non-fishing day I drove to Courtmacsherry, a tiny little hamlet of colour-washed cottages and the delightful Courtmacsherry Hotel where fishing is again the main activity.

It was by coincidence that, having travelled out with B & I on the familiar Swansea-Cork route on the pleasantly spacious and newly introduced MV Connacht, I returned on the first sailing into their new terminal at Pembroke Dock. This, some compensation to those who are poor or indifferent sailors, reduces the crossing by two hours.

However, on a practical note, do allow plenty of time to reach Pembroke Dock as, although there are plans for major improvements, the road on from Swansea is not particularly fast.

Dinner is served as soon as you board and early risers can enjoy an excellent breakfast. Duty-free now applies on the Irish Sea. B & I will also provide full details of their special family offers and discount excursion rate.

If you want, above all, a leisurely, pottery, winding-down holiday, adjusting to the Irish tempo, Kinsale is a very special place but do watch the waistline!

Addresses: B+I Line, 155 Regent Street, London W1R 7FD. Blue Haven Hotel, Kinsale, Co. Cork, Ireland. Courtmacsherry Hotel, Courtmacsherry, W. Cork, Ireland. Kinsale Angling Centre, Lower O'Connell Street, Kinsale, Ireland. Kinsale Tourism Promotions, Kinsale, Ireland. Irish Tourist Board, 150-151 New Bond Street, London W1Y 0AQ.

WORLD VALUE OF THE POUND

	Your weekend £:
Austria	29.00
Belgium	65.25
France	9.10
Italy	1,750
Greece	75.50
Spain	135.75
Switzerland	3.57
U.S.	2.09

Source: Thomas Cook

LEGAL NOTICES

No. 001496 of 1979
In the HIGH COURT OF JUSTICE Chancery Division Mr. Registrar Hawk. In the Matter of FRASER ANSBACHER LIMITED and in the Matter of The Companies Act 1948.

NOTICE IS HEREBY GIVEN that by Order dated the 7th June 1979 made in the above matters the Court has directed a Meeting to be convened of the Members of the abovenamed Company (hereinafter called "the Company") for the purpose of considering and if thought fit approving (with or without modification) a Scheme of Arrangement proposed to be made between the Company and its Members and that such Meeting will be held at Plaisterers' Hall, London Wall, London, E.C.2, on Monday the 9th day of July 1979 at 12 o'clock noon or as soon thereafter as the Annual General Meeting of the Company convened for the same day and place shall have been concluded or adjourned at which place and time all such Members are requested to attend.

ANY person entitled to attend the said Meeting can obtain copies of the said Scheme of Arrangement, forms of Proxy and copies of the Statement required to be furnished pursuant to Section 207 of the above-mentioned Act at the Registered Office of the Company situate at 1 Noble Street, London EC2V 7JH and at the office of the under mentioned Solicitors at the address mentioned below during usual business hours on any day (other than a Saturday or Sunday) prior to the day appointed for the said Meeting.

THE said Members may vote in person at the said Meeting or they may appoint another person, whether a Member of the Company or not as their proxy to attend and vote in their stead.

IT is requested that forms appointing proxies be lodged with the Registrars of the Company, The General Accident & Trust Limited, Granby House, 95 Southwark Street, London SE1 0JA, not less than 48 hours before the time appointed for the said Meeting but if forms are not lodged they may be handed to the Chairman at the said Meeting.

In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Register of Members of the Company.

BY the said Order the Court has appointed Sir Samuel Goldman or failing him Robert Linam Rattenbury or failing him John Martin Burton to act as Chairman of the said Meeting and has directed the Chairman to report the result thereof to the Court.

THE said Scheme of Arrangement will be subject to the subsequent approval of the Court.

Dated this 15th day of June, 1979.
LINKLATERS & PAINES (DMC),
Barrington House
59-67 Gresham Street,
London EC2V 7JA
Solicitors for the Company.

LEGAL NOTICE

THE COMPANIES ACTS 1948 TO 1976

NOTICE TO DISSENTING SHAREHOLDERS
(Pursuant to Section 209(1) of the Companies Act 1948)

Re THE RITZ HOTEL LIMITED (hereinafter called "the Transferor Company")
Notice by
RITZ (PARIS) HOLDINGS LIMITED (hereinafter called "the Transferee Company")

To: The holders of the Ordinary Shares of £1 each in the Transferor Company represented by warrants to bearer who have not accepted the Offer mentioned below ("the Dissenting Bearer Shareholders").

WHEREAS on the 15th day of February 1979 the Transferee Company made an offer to all the holders of Ordinary Shares of £1 each in the Transferor Company (whether in registered or bearer form) on the basis that for each Ordinary Share of £1 in the Transferor Company, holders were offered 502.12 French Francs in cash;

AND WHEREAS up to the 4th day of April 1979 being a date within four months of the date of the making thereof such offer was approved by the holders of not less than nine-tenths in value of the said Ordinary Shares (other than shares already held at the date of the offer by or by a nominee for the Transferee Company or its subsidiary);

NOW THEREFORE the Transferee Company in pursuance of the provisions of Section 209(1) of the Companies Act 1948 and of a Direction by the Secretary of State pursuant to paragraph 6(2) of the Companies (Forms) Order 1949 S.I. 1949 No. 382 hereby gives notice to the Dissenting Bearer Shareholders that it desires to acquire the Ordinary Shares in the Transferor Company held by each Dissenting Bearer Shareholder.

AND FURTHER TAKE NOTICE that unless upon an application or applications made to the Court by Dissenting Bearer Shareholders on or before the 16th day of July 1979 being one month from the date of this Notice the Court thinks fit to order otherwise the Transferee Company will be entitled and bound to acquire the Ordinary Shares held in the Transferor Company by Dissenting Bearer Shareholders in respect of whose Ordinary Shares no such order has been made by the Court on the terms of the above-mentioned offer approved by the approving Ordinary Shareholders in the said Company.

For RITZ (PARIS) HOLDINGS LIMITED
MORGAN GRENFELL TRUST CORPORATION (JERSEY) LIMITED
Secretary

Dated this 16th day of June 1979.

LEISURE

Small but beautiful

GARDENING
ARTHUR HELLYER

THIS IS an age of miniaturisation from the micro chip to the mini rose and mini pinetum. All seem destined to have an effect on our lives though precisely what that may be is not yet clear. At the Chelsea Flower Show some of the best publicity was given to a new miniature rose named Esther's Baby and a suburban front garden planted entirely with dwarf conifers and heathers and both created a lot of interest.

In its beautiful and extensive trial and demonstration garden at St. Albans the Royal Horticultural Society has thought it worthwhile to devote a considerable section of one of its model gardens to miniature varieties and very attractive they are, especially Nozomi the miniature climber with myriads of small pink flowers which here cascades over a wall as it does down a bank beside the formal water garden in the Royal Horticultural Society's garden at Wisley in Surrey.

But are these the ways in which ordinary people are actually using miniature roses and dwarf conifers in gardens? I think not and Adrian Bloom, a leader in the popularisation of small evergreen shrubs, including conifers and heathers, seems to agree with me. It was he who made the garden of small evergreens at Chelsea, virtually a replica of an actual garden that he has designed and planted in a new estate at Diss, on the Suffolk-Norfolk border, close to his own home and nursery garden at Bressingham.

Adrian Bloom sees dwarf conifers being used to create mini pinetums — beds or even whole gardens devoted either exclusively to dwarf conifers or to these in combination with other shrubs of equally restricted size. He does not think that this is the way in which most gardeners are using them at present and that is why he made the Diss garden and the Chelsea exhibit and has written a book, shortly to be published, on the subject of the mini pinetum. He argues convincingly that these small shrubs are so immensely varied in shape, colour and texture, so beautiful in winter as well as in summer since most are evergreen, and so little trouble since they suffer from few pests or diseases and require no pruning and little maintenance except to be kept clear of weeds, that they are the ideal solution to the householders gardening problems. What he does not mention so frequently is that it takes a lot of plants to form even a small mini pinetum and that, with prices averaging around £1.50 apiece, that can mean quite a big outlay.

Much the same applies to miniature roses which cost about the same as ordinary roses but cover far less ground so that at least twice the number of plants are required for a bed of comparable size. Yet there is no doubt that they are most effective when massed to form a carpet or continuous ribbon of growth, maybe a bed entirely on their own or an edging to a bed filled with roses of normal size. I think that before this becomes general practice some method will have to be found of propagating miniatures more cheaply. At present most appear to be grafted, a slow, skilled and expensive process usually done in a greenhouse. The ideal might be to have strains of miniature rose that could be raised reasonably true to type from seed like the old Lawrenceana or fairy rose from which the modern miniatures have been developed. But that seems a long way off and a more practical solution might be some form of meristem propagation, micro - cuttings which are another modern development in miniaturisation.

How most buyers actually use dwarf conifers and miniature roses is an interesting question to which no one seems able to give any very positive answer. Some experts believe that a great many of the miniature roses, which are usually purchased as pot plants, are grown on in the same way and are either stood out in the garden on terraces and in patios or are grown on sunny window ledges. Some, no doubt, are used for window boxes and other plant containers and some, I know, are also planted in rock gardens where they can look charming though it is all against conventional ideas that rock gardens are for rock plants. Probably many are purchased on impulse without any clear idea of what will be done with them and get dotted about in the garden wherever there is space to be filled.

Probably a similar fate awails a great many of the dwarf conifers which are now displayed so enticingly in garden centres and also in many of the small selling areas which are becoming such a profitable feature of many gardens that open to the public. Certainly the total sales are increasing astronomically. In one wholesale nursery in South Devon where annual production is now running at about 400,000, I was told recently that there was no need to advertise or even run transport since buyers were ready to send their own lorries to collect from as far afield as the Midlands where dwarf conifers appear to be especially popular.

The variety available is quite bewildering. From a garden standpoint there are really two major groups, the genuine miniatures many of which have originated as "witch's brooms" on normal trees and those that are simply slow growing variants or forms with a restrictive habit such as the numerous narrowly columnar, horizontally branched or weeping varieties. Usually retailers make little or no distinction between the two probably more from ignorance than with any intention to deceive. Yet it is important to know which is which for the slow growers may eventually become large whereas the genuine miniatures never progress beyond a metre or thereabouts and some may reach far less. It does not matter including the slow growers with the genuine dwarfs if one is prepared to throw them out as soon as they grow out of scale, which is likely to be something like 10 to 15 years. Really by that time any plant should have paid for itself many times over in pleasures given and the notion of expendability should be applied to many plants at present regarded as permanent garden residents.

In a mini pinetum or among rock plants with which these small evergreens associate well, it is possible to have representatives of all the great coniferous families. There can be dwarf pines, firs, spruces, junipers, cypresses and yews, thuyas, western hemlocks, and even wellingtonias normally regarded as the outsize giants of the tree world. There is also great variation in leaf colour, greens of all kinds, yellows and even coppery shades. Some, such as the ground-hugging Juniperus horizontalis, are completely prostrate, others, such as Juniperus communis compressa, make tiny columns, and yet others, such as Chamaecyparis pisifera filifera aurea, are weeping, this one making a dome-shaped bush of cascading golden, whip-like growth. It also illustrates my point about true dwarfs and slow growers for it belongs to the latter group and I know specimens at least four metres high. They were probably planted 60 or 70 years ago.

A dirty weekend

FASHION
ARTHUR SANDLES

IT WAS after reading several pages of Mr. Edward Heath's book on travelling that I began to realise that nothing socially disastrous ever seemed to happen to the man. He must lead a charmed life. For me, and I suspect for most of the human race, disaster stalks at every turn. Take last weekend as an example.

There I was, as well turned out as an oaf such as myself can hope to be, when we had a flat tyre. To make things worse we were in the middle of a Buckinghamshire village in full flood of a flower festival, and the mother of my nearest and dearest was in the back seat.

Add to that a wheel nut stripped of anything upon which a brace might grip and you have the recipe for ill temper and heavy sweat.

A couple of weeks before it bad been a dinner party.

In a restaurant, if something is not quite right, you can send dishes back. It is a test of strength, and yet it can be done.

But when your hosts at their own table serve you with rock hard avocado when everyone else around appears to have the soft squelchy kind which can be devoured with gusto and style . . . ?

So there I was with this avocado, sitting there and glaring back with its rock hard flesh defying any form of attack. Struggling to keep up with the social niceties of first course conversation I set at the green monster with a spoon. It leapt neatly into the air, bringing the chatter to an abrupt halt with a shower of vinaigrette sauce, most of which landed on my grey flannel suit.

The good thing about that tale is that the stain, for once, came out. The inestimable Messrs. Goddards make an excellent spray-on stain remover which works superbly well on vinaigrette. From past experience I should add that it does pretty well on sweet and sour sauce, and is not at all bad on spaghetti bolognese. It is less satisfactory in dealing with ink, either the ball point or printers' variety. For those difficulties I have a friendly local family owned dry cleaner who has come to regard my problems as a challenge—work to be done for pride rather than profit.

Cleaning is something close to my heart at the moment for as rumours of spring approach (my tomatoes and I eagerly await its first dawning), so my wardrobe is being re-examined. High on the disposal list is a collection of ties, most of them monuments to bad taste and all of them little museums of meals past. How others get their food from their plates to their mouths without losing the odd tell-tale spot on to their ties I do not know.

But replacement ties today are a crippling expense. A well-made silk tie—one that is going to survive regular visits to any dry cleaner willing to take it—is likely to cost upwards of £8. Dry cleaning at Jeeves of Belgravia costs £1.30 per tie, while Sketchley branches that handle ties, and not many do, charge 50p. My own collection went with various other items into a do-it-yourself dry cleaning drum (£1.10p for 8 lb of clothes) and half of them survived.

The reason for this examination of the stock is that they have changed considerably in style in recent months. Today's man is wearing a tie that is unlikely to be much more than 3 ins. in width (S cms seems the classic standard now), and it is a long time since ties were that narrow. The width, however, is more constant between knot and tip than it was a few years ago, so digging out that old school tie simply does not fit the bill.

As ties have changed, so have shirts, a matter of some import since this is the time of year when we ought to be discarding our jackets, even if the weather of late has hardly favoured such activities.

Shirt collars have, of course, shortened, but much more has happened too. Shirts are much less snug fitting at the moment, and far more attention is given to detail than has been the case recently. There are more buttons, tags, pockets and even epaulettes than was on any shirt you might have bought a year ago. Fabrics and colours are soft, with white making something of a comeback for the summer.

If you are tempted either by a last-minute beat VAT rush, or by summer sales, to dash out and buy, beware of shops which are trying desperately to off-load old stock. Most stores are having such a disastrous season at the moment that there is plenty of stock of the newer lines to buy without being loaded down with last year's long-collared shirts or kipper ties.

Any thoughts that mid-June might be the right time to look at leisure wear have been dispelled by the weather. But what is bad news for the T-shirt makers is welcome tidings for the mack-men. This classic good-looking Aquascutum trench coat (the Kingsway) costs around £115 and, sadly enough, may prove just the thing for Wimbledon. There are other similar styles in various materials from £98.

Times change. The picture on the right is only two years old but indicates the rapid change there has been from the collar, wide-tied styles that were popular then. Above are examples of more recent styling—long slim jackets, short collared shirts and trim ties (from the Marc Broyer range at Hornes).

A tale of a tree

GOLF
BEN WRIGHT

THE MOST bizarre incident occurred here at the Inverness Club yesterday in the first round of the 79th U.S. Open Championship. Lon Hinkle, who was to finish the day as one of the five joint leaders on one under par 70, and his playing partner Chi Chi Rodriguez, discovered a flaw in the defences of the U.S. Golf Association, who prepare their golf courses for this event with such meticulous care to avoid just such weaknesses.

Hinkle and Rodriguez were on the tea of the 528 yards 8th hole, one of the four new ones that were constructed specifically to toughen up this old and revered Donald Ross-designed layout when they discovered a gap in the trees that enabled them to play down the 17th fairway in the face of those coming down that hole. This meant that instead of playing the hole as a dog leg par 5 to the left, they straightened out the hole, shortening it by some 70 yards, and thus effectively making it a par 4. Hinkle used a one iron from the tee and found the green with his two iron over trees and bunkers for a birdie that set the fashion for several others.

USGA officials were incensed, and last night they convened a Press conference to announce that a 25 foot tall Black Hills spruce tree would be planted in the gap at 5.30 am this morning to cut out what they rather foolishly regarded as skullduggery. In the opinion of officials the action of Hinkle and company was against tha spirit of the game.

In my own opinion officials have reacted in a totally hysterical manner, and by planting their fancy tree are acting against the spirit of the game themselves in altering the golf course after the first round of the championship. The futility of it all was borna out in the early stages of the second round which started at 7.15 am this morning when Joe Kunes, who has no hope at all of making the cut after 36 holes, played to the 17th fairway around the controversial tre, which I have just been told bas already developed a pronounced list to starboard.

The other sensation of the morning was that Tom Watson the hot favourite for the championship, who slumped over the closing holes yesterday to a score of 75 by dropping shots to par at three of the last five holes, has made a totally disastrous start to his second round, and will have to fight very hard to stay in the championship.

Watson drove to the right of the fairway at the 398 yards first hole and found his ball up against the trunk of a small maple tree. He played a masterly recovery to the middle of the fairway, but then played a very poor pitch that came up short in the collar of rough in front of the green. Watson fluffed his chip, and then took three putts up bill from 20 feet, going far past the bole with the first of the three, to card a three over par 7. He is now seven over par after three holes and plainly struggling for his life.

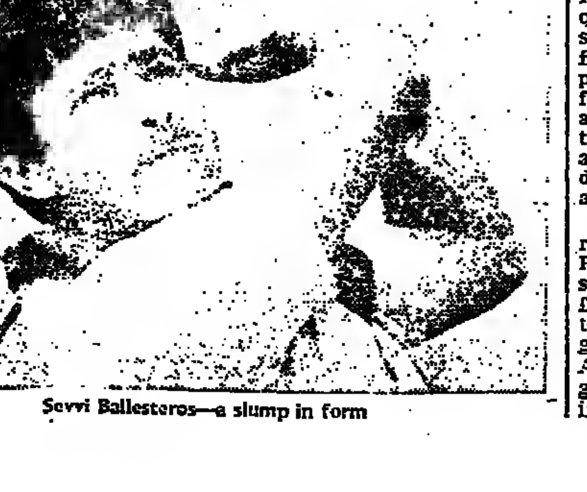
Of the fiva — over night leaders—besides Hinkle they were Andy Bean, Lou Graham, Tom Purtzer and Keith Fergus —only Purtzer is yet on the golf course, and be bas returned to level par for the championship with an outward half of 36, one over par for the distance.

Of the seven men who finished yesterday at level par bnth Tom Weiskopf and Bill Rogers are already well into their second rounds. Weiskonf is at last playing ominously well, and is level with par after five hnles, while Rogers has reached the eleventh hole, and is now one over par for the chainpinnship.

The tree incident, however, is very much the talk of the town. no ona can remember an incident quite like it, although in 1965 before the U.S. PGA championship at Laurel Valley a tree was planted to block a gap in the defences before the championship started. In 1954 at Baltusrol the eventual U.S. Open winner Ed Furgol booked his drive at the final hole from the club's lower course on which the event was being played onto an adjacent hole on the upper course, and played down that hole to make his par 5 to ensure victory much to the chagrin of the helpless officials, who bad failed to nominate the upper course out of bounds.

To give you a clear idea of the advantage Hinkle gained yesterday by his astute move, Andy Bean, who hits the ball just as far, played the bole—the 8th—in the conventional manner with his driver and three wood, and was unable to reach the green. As I speak Watson has dropped an other shot to par at the fourth bnle to go eight over par, and his chances appear to be fading fast. It has just been annouoced that there will ba yet another Press conference about that accursed tree whicb bas been convened for 11 am this morniag.

Tom Watson—struggling favourite



Sevvi Ballesteros—a slump in form

Man from the Pru hits a winner

CRICKET
TREVOR BAILEY

TODAY THE group section of the second Prudential World Cup ends, but as the West Indies, New Zealand, Pakistan and England have already qualified for semi-final places some of the excitement has departed. However, the match between England and Pakistan remains important and intriguing, as the winner, assuming New Zealand do not bring off an unlikely, but possible surprise in the other game, will avoid meeting the favourites, the West Indies, until the final. England v the West Indies at Lords next Saturday would make the ideal finish for this competition.

Pakistan possess the more gifted stroke makers and England have a much stronger attack. If the conditions at Headingley today should suit seam bowlers, whicb is probable, I would expect the home side to beat the visitors convincingly, though not as severely as those routs last summer when Pakistan were "Packer-less."

Tha first Prudential World Cup proved an enormous success with wonderful weather and a magnificent climax late in the evening at Lords in 1975 when the West Indies beat Australia in a memorable match highlighting all the best features of limited overs cricket. This was a sharp contrast to many of the Prudential one-day internationals between England and the Tourists. These began in 1972 and were often treated rather lightly by the visitors, as the fight for tha Ashes, or the rubber was over. Although staging these internationals before the Tests commence have been an Improvement the Tourists are still largely using them as practice for the main events. Their real value lies in the extra money they bring to both tha players and the game and the publicity they provide for the Prudential Insurance Co.

Tha World Cup is obviously much more expensiva than the one-day internationals, but has far more appeal and purpose. It costs the Prudeotial about a quarter of a million pounds, some £10,000 more than their first venture. They ara well pleased with this investment so far, except for the weather, and are desperately anxious that today's matches, the semi-finals and final are uninterrupted and do not linger on into that fatal and costly second or third day.

Although the World Cup represents the largest of the Prudential's sporting sponsorships, they also spend some £50,000 on tennis. The bulk of the money is devoted to the grass roots of the game. Although this may lack tha glamour and publicity of an international tournament, it certainly does more for the future of tennis and also avoids the headaches suffered by so many sponsors at professional meetings, due to the failure of star performers to arrive.

The Prudential have also recently started sponsoring golf in a minor way with two Pro-Am meetings, one in Scotland and one in Northern Ireland. The former is a low profile affair because Scottish golf tournaments of this type are commonplace and of little interest to tha media. Nevertheless it has proved popular with brokers who handle most of their pension side. And sensibly allows three categories of amateur golfer.

In contrast their Pro-Am meeting in Northern Ireland is well covered by the press and consequently provides a high-class field, both professional and amateur.

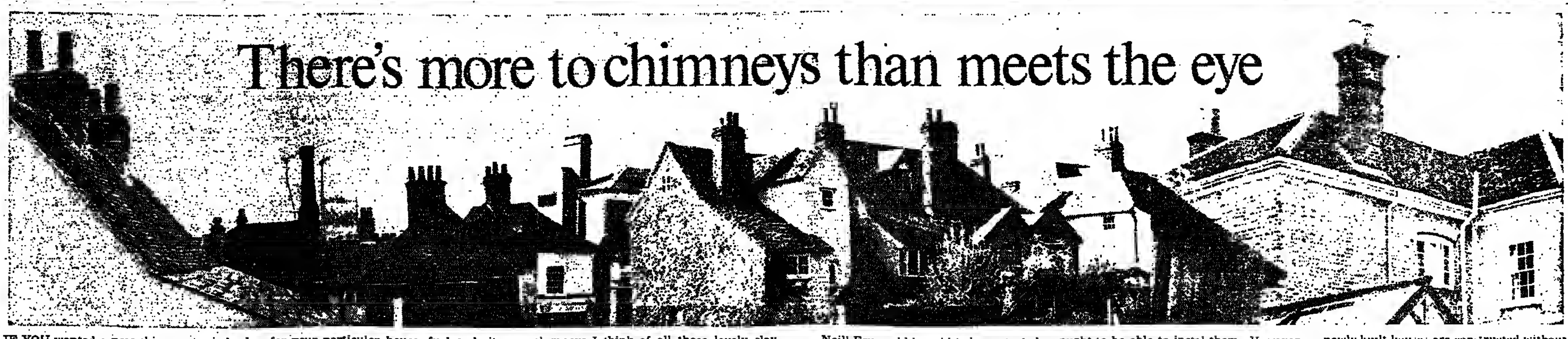
There are various reasons for the Prudential moving into sporting sponships. They appreciate that the three games in which they are involved could not exist in their present form without business sponsorship. As a large, respected and highly profitable company, they felt it was almost a duty to provide support. Nevertheless they are certainly not a philanthropic concern and have entered this new field for them with caution and considering their size on a comparatively small scale. They are happy with results and believe the sponsorships have increased their main identification more effectively than many advertisement campaigns with a similar outlay.

Their sponsorships have also assisted in broadening their overall image. Many of the general public, even today, still tend to think of them in terms of the little man from tha Pru in bowler hat, dark suit and cycle clips, who calls at working-class houses each week to collect a few bob. Fortified by a cup of tea, he was also prepared to listen and then adopt the role of friend, priest or psychiatrist. It was he and all thosa many other salesmen who combinad selling insurance with providing advice who built the Prudential, but since the war it has expanded enormously. It is now a large multi-national concern and the World Cup fits idealy in with these developments as they have considerable interests in Australia, New Zealand and Canada who will all be playing cricket today.

HOW TO SPEND IT

by Lucia van der Post

There's more to chimneys than meets the eye



IF YOU wanted a new chimney, or indeed your first chimney supposing your house, like many new ones, didn't have one, would you know how to set about choosing one? The chances are that you'd do what most people do which is to go to your local builders' merchant. Most builders' merchants, however, carry only a small range of chimneys, are not experts in the subject and would be unlikely to be well-acquainted with the finer nuances of chimney behaviour in all relevant circumstances.

What you really need is a chimney expert, somebody who is absolutely au fait with all the models on the market, is able to determine which product would be best for your particular house, fuel and situation. This sounds sensible and obvious but the difficulty is that until fairly recently there haven't been any such specialists and even now I only know of one. The Chimney Specialists of Jubilee Works, Chilton Industrial Estate, Sudbury, Suffolk (tel. Sudbury 75600).

The Chimney Specialists are well known in East Anglia where they have quietly been building up their business to the point where they are able to expand and offer a nationwide service.

Neill Fry, whose business and passion this is, clearly loves chimneys but equally he is deadly serious about how important they are. When I think of chimneys I think of all those lovely clay pot tops one sees against a country skyline. When Neill Fry talks of chimneys he's talking of the bits that really matter—the innards which are really what counts.

The wrong chimneys can be dangerous —the sad stories that appear throughout the winter of people mysteriously being suffocated, of fires inexplicably happening, are often the result of ill-chosen chimneys. Materials which suit one fuel will not suit another and without proper knowledge many people opt for the wrong one. For example, flexible flue liners in old stacks were meant for gas and oil only. What suits an open fire will not necessarily suit a closed combustion stove.

Neill Fry could be said to have started one of the oddest mail order companies on record for he has devised a method of advising on and selling chimneys by post. After years of experience, of analysing the essentials, he has worked out a way in which he can "diagnose" the correct solution from measurements and to this end he has produced a form which potential chimney buyers should fill in—this gives him all the relevant information he needs.

He maintains that most people can fill in the form themselves (measurements of rooms and other details are required), and indeed, now that chimneys are mainly prefabricated and sectionalised, most averagely competent do-it-yourselfers ought to be able to instal them. However, people who feel they can't do this, or don't want to be bothered, can call in a local builder and get him to fill in the form and then do the installation.

Costs are almost impossible to give as each and every case is different: they range from about £105 for a chimney on the outside of a bungalow to £500 for a complete installation and a good modern fireplace inside the house as well.

The choice of chimneys seems particularly relevant now in the face of rising oil prices and the trend towards wood-burning appliances. It still seems amazing, given that most of us do feel that there's nothing quite like an open-fire, that one in six newly-built houses are constructed without a chimney. Neill Fry reports that much of his work on the domestic front is concerned with putting in chimneys and fireplaces for houses that don't have them.

The other large section of his work is in putting right chimneys that have deteriorated — chimneys are liable to corrode and don't last forever. He pleads with people who have a chimney problem to get it sorted out now—most people only tend to think of these things in the winter with the result that he, along with almost the entire heating business, gets 68 per cent of his customers clamouring for help and service in three months of the year. So if help with your chimney is what you need—try and get it now.

BUDGET BUYS AND BUDGET BUYING . . . VAT

MOST OF the big stores report that the reaction of many people to the Budget has been to rush, lemming-like, to the shops and buy something — anything — in the certain knowledge that its price was bound to rise. The trouble is that some prices are going to rise more than others and judging by the pattern of spending reported by the stores, few of the buyers seem to be very discriminating. Most of the big money has been spent on electrical goods and hi-fi equipment in the last few days but those are precisely the items which already have a 12½ per cent VAT rate and which will, therefore, only go up by 2½ per cent on Monday.

If you're bound on a last-minute beat the VATman spree today it seems only sensible to look at the areas where the increases are going to be the greatest — always supposing you really need whatever it is in the first place. Many of us haven't been too aware of what was rated at 8 per cent and what at 12½ per cent but the most obvious savings to be made will be in those goods that are currently VAT-rated at 8 per cent but will go up to 15 per cent on Monday.

It appears that not all stores will be raising the price of goods in the 12½ per cent bracket for the time being anyway, presumably to allow the present stock to be sold at current rates. Harrods in particular tells us that things like radios, TV, audio equipment, fridges, freezers, washing-machines, small electrical goods, real jewellery, furs, sewing machines, cameras, binoculars and projectors, all of which are VAT rated at 12½ per cent, will be kept at current prices for the moment.

In the furniture department, though, it is a different story —VAT will be raised from 8 per cent to 15 per cent immediately and a luxury double pocket-sprung bed which will cost you £578 on Saturday will be re-ticketed at £615 on Monday. At Heal's they tell us that a basic suite of furniture of a good make like Collis and Hayes which sells for about £699 today will be £744.40 on Monday.

China and glass, too, are things to buy if you need them. A Wedgwood 33-piece service which is ticketed at £391.60 today goes up to £417, while a Villeroy and Bosch dinner service goes from £109.80 to £133.14.

Clothes, too, are VAT rated at 8 per cent so if you've been fancying a suit or a silk dress and can find what you want today, buy it. The biggest savings, of course, are to be made where prices are highest so if you've been needing new carpets, a new cooker, or above all, a new Rolls-Royce, today's the day to buy them. Shoe repairs, hairdos, dry cleaning and all other services are going to cost a lot more, too, but by now most high street hairdressers are booked out for Saturday hairdos and you won't get your shoes mended or your clothes dry-cleaned in time. But whatever else you do, don't forget to lay in plenty of drink (wines, beer and spirits are all going up from 8 per cent VAT to 15 per cent) so that at least you have plenty of consolation at hand.

. . . gadgets

I'M not terribly gadget-minded in the kitchen, preferring a look that tends rather more towards the farmhouse than the laboratory. However, I'm gradually giving ground to a few vital pieces of equipment. I'm already devoted to my own particular food processor (about which I wrote over a year ago now) but for anybody who has neither a food processor nor a mixer and is debating what to buy, a new model has arrived on the market which deserves consideration.

It is the Maxima machine, made by Moulinex.

On the plus side it has a choice of two blades—plastic or metal: the advantage of the additional plastic one is that it mixes doughs and pastries rather more gently than does the metal blade.

The Maxima also slices or grates either finely or coarsely (my processor just slices or grates in a fixed position) and, wonderful for families with children, has an amazing attachment which can deliver chips at the rate of 1 lb in eight seconds.

On the minus side it does not have the extreme simplicity, nor is it quite as neat looking or as easy to house as my own food processor, the Robot-chef.

It is on sale in most good kitchen stores and electrical departments now and you should shop around as prices range between £44.95 and £62.95. Its top price will go up to £64.35 on Monday, but you should *still* find it at much lower prices.

. . . dishwashers

CYNTHIA COYNE one of the directors of the company Buyers and Sellers (of which I have written before), has a theory that one of the reasons only 3 per cent of British householders own a dishwasher is that they are so expensive—(even in discount houses most of them are over £200).

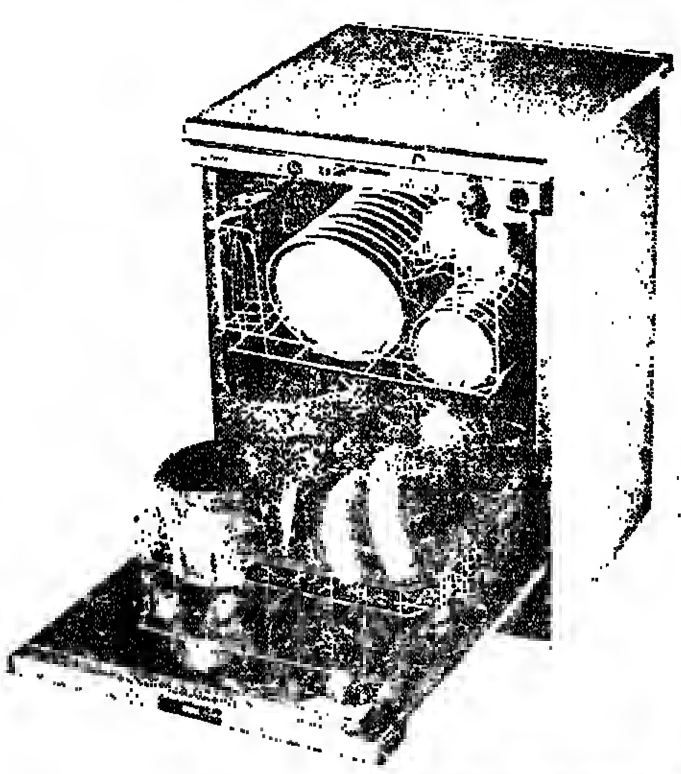
In order to test her theory, Cynthia Coyne proposes to hold for ONE DAY ONLY an experimental sale. Next Saturday, on June 23, she will sell the Candy fully-automatic Dishwasher, model 290 at the manufacturer's price to her of £140.95, thus making no profit herself whatsoever. This particular model normally sells at Buyers and Sellers for £171.05 while the recommended retail price is £316.

Buyers and Sellers is to be found at 120-122, Ladbroke Grove, London W10 (01-229 1947) and 72, Uxbridge Road, London W12 (01-743 4049) and specialises in selling white-goods at very reduced prices—everything they sell is perfect mechanically and has all the usual guarantees but prices are reduced because there may be scratches on the cabinets, or they may have been bought at special prices from the manufacturers. Similarly, this Candy machine is likely to have slight scratches on the cabinet but it will be mechanically perfect and all the usual servicing agreements and guarantees will apply. It measures 85 cm high x 60 cm wide x 60 cm deep.

The machine itself takes 12 international place settings, has seven automatic programmes and may be plumbed into the hot or cold water systems. It is said to be very quiet because it is lined with sound absorbing panels.

If you want to take advantage of Buyers and Sellers' special offer remember that this applies only to Saturday, June 23 when both shops will be open from 9.00 am to 5.00 pm (usual opening is Monday to Friday, 9.00 am to 5.00 pm except for Thursdays 9.00 am to 12.00).

Delivery in the London area is £2 extra; outside London it will cost more.



. . . furniture

ANYBODY who knows anything about the way furniture is sold is always appalled at the mark-ups. It is usual to double the wholesale price to reach the retail price, which in practice means that one half of the price you, the customer, pays covers design, research, manufacturing, materials and transport while the other half covers the stores' costs.

I daresay a storm of protest will fall upon my head from outraged retailers but most of us feel that this can't be right —retailing is obviously a vital service and to do it well costs money but it seems on the face of it inequitable that the reward for a more passive role should be equal to that of the manufacturer.

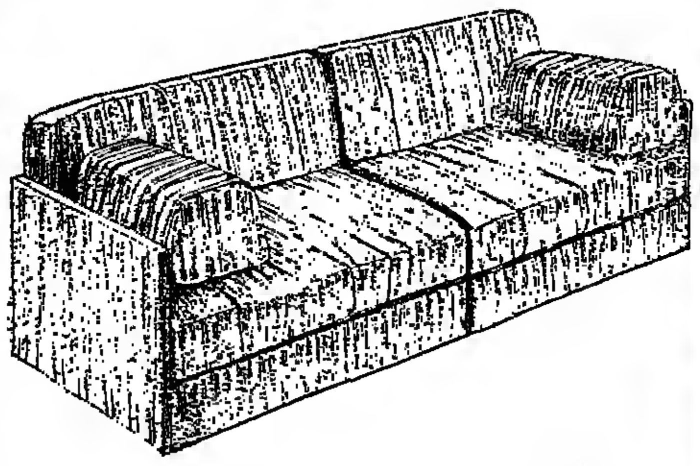
In addition most of us nurture a feeling that if *only* the retailer put on a lower mark-up he would turn his goods over faster, thus generating a more lively atmosphere in the shop and pleasing more of the people more of the time.

Several shops have tried this policy from time to time but tend to founder under the sort of pressure which persuades a store to sell at a price that is not too dissimilar from his neighbours'.

So a store that is brave enough to stand by its intentions to put on low mark-ups and thus hopefully to sell more and make up its revenue in that way is to be applauded. Charles Page Interiors of 61, Fairfax Road, London, NW6, and 48 High Street, Edgware, are not London's most exciting stores in terms of taste but they do *seem to be making* a serious attempt to supply high quality furniture at very reasonable prices.

Dux's Avanti excellent cabinet furniture, wallstorage, cupboards. Charles Eames, Bauhaus and Wassilly-type chairs can all be found at prices considerably less than in the West End.

Perhaps, however, the most startling saving is to be found in one of the most luxurious ranges of furniture in the world. The collection is very simple, based on fine lines, beautiful fabrics and exquisite finish. There is a simple armless chair and pouffe, an armchair, two or three-seater sofas and a corner unit which enables one to build up units as and when one likes. They may be covered in lovely leather or *fabric* and, to give you some idea of the enormous savings to be made, the leather two-seater sofa which converts into a bed in the range DS 76 is sold by Charles Page for £792, while in a high-quality department store in Knightsbridge the very same item sells for £1,796. In this particular case, part of the explanation for the price gap lies not just in a difference in mark-up but is also due to varying currency exchange rates; the furniture made exactly under licence in Italy costs a great deal less than the identical items made in Switzerland.



Robin Coles

PROPERTY

When a garden is an estate agent's joy

BY JUNE FIELD

"TO OWN a bit of ground, to scratch it with a hoe, to plant seeds, and watch their renewal of life—this is the commonest delight of the race, the most satisfactory thing a man can do," wrote Charles Dudley Warner in *My Summer in a Garden, 1871.*

While one may not necessarily buy a house only for its garden, in this, the year that we are celebrating one thousand years of British Gardening with the splendid exhibition *The Garden* at the Victoria and Albert Museum until August 26, a pretty, cared for landscape could well be a plus on estate agent's particulars. Always bearing in mind that Mr. Warner also warned that "what a man needs in gardening is a cast-iron back, with a hinge in it."

In Georgian and Victorian times there was considerable co-operation between architect and gardener. "Capability" Brown (1716-1783) worked with Henry Holland, master builder and architect, the prolific Humphrey Repton (1752-1818)—in less than 30 years he worked on 220 places spread over the British isles—was closely associated with the Wyatts before going into partnership with John Nash, and Gertrude Jekyll (1843-1932) worked with Edwin Lutyens for over 40 years. A Lutyens house with a Jekyll garden became a part of the English way of life.

And as Cowper wrote in *The Task* (1785): "Who loves a garden loves a greenhouse, too," and similar glass structures such as a summerhouse or conservatory are all desirable selling adjuncts for a property. "A mania for conservatories has spread contagiously among all the richer classes of the cold or temperate countries of Europe . . ." said the author of *Famous Parks and Gardens* in 1880, commenting: "In the towns and villages of Great Britain, they are attached to all the more pretentious houses—their bowers of foliage and blossom frequently communicating with the drawing or sitting-room."

Although rising labour costs have meant the demise or division of a large number of great private gardens, some come on the market from time to time. The Manor House in the pretty village of Upton Grey, Hampshire, 52 minutes by train, Hook to Waterloo, is a basically Jacobean house with eight bedrooms and four bathrooms plus gracious Tudor rose gardens in the style of Hampton Court. Much later the 3½-acre grounds were landscaped by Gertrude Jekyll, and there is now a wild garden with specimen conifers and deciduous trees, four greenhouses and a potting shed. Offers in the region of £200,000 are being invited for the house and Manor cottage by Hampton and Sons, and Messenger May Baverstock, 4, Castle Street, Farnham, or the property goes to auction at The Bush Hotel, Farnham, Hants, on July 11.

Little Thakeham, a mile from the old village of Thakeham, near Pulborough, is a country house the main portion of which is believed to be the only Lutyens mansion in Sussex. Dating from about 1902, it was designed by Sir Edwin Lutyens just when his style was changing from Tudor to Georgian. Built of weathered local sandstone with leaded light windows and massive chimneys, the interior has typical Lutyens features such as a "screens" passage in the music room, and large inglenook fireplaces in the living-rooms.

The gardens were laid out by Gertrude Jekyll, and include a formal rose garden with flagged walks, shaped yew hedging and various herbaceous borders. The house was divided about 20 years ago, and John D. Wood, 11, Market Square, Horsham, and Whiteheads of Pulborough, were asking around £80,000 for the major portion of the house, £20,000 and £25,000 respectively for two flats, and £12,000 for what is described on the particulars as "The Coal House," a single-storey dwelling off the courtyard made into 1+1+B+K, which I am sure must be sold by now, as considerable interest was being shown in the whole property.

The 8-acre grounds of Gorehill House, between Fittleworth and Petworth, beautifully landscaped and stocked with specimen trees and shrubs, are open to the public in the summer under the National Gardens Scheme. You can drive up to the property along a sweeping drive banked with rhododendrons. Designed by Norman Shaw, 1871-2, for Henry Upton, steward of the Leaconfield Estate, it has been described as "a medium-sized house with some limp exterior detail but good interior features, notable joinery."

The quality of the carpentry is revealed in the library, which is half-panelled in pine with moulded borders and built-in adjustable bookcases and cupboards. There are five bedrooms, four bathrooms, and a four-roomed top-floor flat, plus a kitchen garden, five stables, and two paddocks, and the agents, Knight Frank and Rutley, who are offering the property on behalf of Lady Fry, widow of Sir Leslie Fry, Britain's former Ambassador to Indonesia and Brazil, are expecting in the region of £200,000.

Messenger May and Baverstock have three houses on offer near Guildford, all with particularly pretty gardens. The five-bedroomed Silver Ley, Malacca Farm, Oak Grange Road, West Clandon, was built in Sussex farmhouse style in 1937 by a builder for his own occupation. Flowering cherry, silver birch, box hedges and a profusion of rose bushes cover the garden which includes 13 fruit trees, a vegetable section, and two greenhouses. Offers invited around £85,000. In the same village is Pendrys, a six-bedroomed, two-bathroomed house, with a picture-book garden of fish-pond bordered by rhododendrons and azaleas, plus a greenhouse, summerhouse, and a 2½-acre paddock. Offers over £90,000.

Lord's Hill Cottage, Shamley Green, built in the 17th century, has five bedrooms and two bathrooms, plus ¼-acre gardens with wistaria, rockery and waterfall, referred to as being screened by a high holly hedge, and "dog-proofed." Offers around £120,000. Full details of these three Surrey properties from C. J. Brough, Messenger May and Baverstock, 5, Quarry Street, Guildford.

Also in Shamley Green is a superbly appointed 15th century manor house, *with galleried hall,* five living rooms, six bedrooms, seven bathrooms and Swedish sauna, all securely tucked away in 20 acres adjoining 350 acres of National Park. The agents, Harrods and Partners, 30a Sackville Street, London, W.1. (illustrated brochure from them only if you are in the £350,000 bracket), told me that the spectacular grounds, which include a water garden, potting shed, four paddocks, two boxes, tack room, staff quarters and helipad, are planted with specimens tended by a French professor of botany, a friend of the owner, who flies over every few weeks to tend them.

Lanhams, Peldon, six miles from Colchester, in Essex, some 25 miles from Harwich with its easy access to the Continent, is a pretty three-bedroomed, two-*bathroomed house with equally* pretty garden which was featured in Mear Allen's *The Gardens of East Anglia.* The sea is about four miles away, and there is sailing at West Mersea.

In front of the house is a large terrace with built-in barbecue, beyond are spreading lawns, rockeries, shrubberies, and an ornamental pool, plus a large pond which has been the home of the owner's collection of rare ducks. The vendors hasten to point out that the gardens are easy to look after, and suggest that an area of young conifers could easily be cleared to provide a paddock. Knight Frank and Rutley, 20, Hanover Square, London, W1, are inviting offers in the region of £70,000.

For your reading there is Anthony Huxley's *An Illustrated History of Gardening* (Paddington Press, 1978), Miles Hadfield's *A History of British Gardening* (John Murray, 1979), and the just published *A Garden Alphabet,* compiled by John Harris in association with The Victoria and Albert Museum for *The Garden* Exhibition (Octopus Books in association with Edgeworth Press). All are concerned with houses and gardens rather than the mechanics of gardening, as are Joan Clifford's *Capability Brown,* Kay N. Sanecki's *Humphrey Repton,* and *Gertrude Jekyll* by Betty Massingham, all in the Shire Publications *Lifeline* series.

Ednaston Manor, near Brailsford, Derbyshire, is being sold by the executors of the late S. D. Player, whose family originally commissioned Edwin Lutyens to design the house in 1913. There are 9 bedrooms and 5 bathrooms, plus 50 acres of parkland and pasture, which are expected to fetch in the region of £220,000 or more. Inquiries Robert Anderson, John German Ralph Pay, Rotunda, 131 High Street, Burton-on-Trent, or Charles Bailey, John German Ralph Pay, 127 Mount Street, W.1.

Farewell to the Premium

THE VIRTUAL abolition of the investment currency premium—the "dollar premium" as it is still popularly known—will make two main changes in the overseas property market for British citizens. Obviously it will make it easier and cheaper to buy but it could also make it more risky.

In one way the premium made people more cautious—at least the punters who were doing their purchase in the officially approved way. The very fact that they had to obtain Bank of England permission for the transaction and bad to buy investment currency made them more cautious in the dealings they had with others such as estate agents, solicitors, etc.

Of course this did not deter the cowboys who were determined to beat the system and would carry abroad a suitcase of dirty fivers or put themselves into the hands of an agent who promised that no premium would be necessary. Indeed there was a famous case four years ago when no less than 20 punters were caught by a crooked agent. But who could they complain to? The Spanish police were simply not interested and to complain in Britain would have attracted the disapproval of the police and of H.M. Treasury. And the fines could be hefty.

The danger now is that without controls people will be tempted to put a deposit on the first thing they see thinking that it is a freer and more open market. But the cry has already gone out "Beware the bandits." The unscrupulous operators will still be around and there is a need for caution even more than before.

The obvious reaction is that prices must jump up since the premium—recently standing at just over 20 per cent—has been removed. But this is most unlikely. The British form only a small percentage of those buying overseas and prices are hardly likely to reflect the recent good fortune of one minority.

When I said virtual elimination that was because the upper limit is now £100,000 and very few buyers get near that. The most popular bracket is around £20,000. The raising of the limit on the amount of money on emigration one is allowed to take out of the country to £200,000 will, of course, encourage home-buyers.

Agents already report that there has been a flood of enquiries with Spain, France and Portugal at the top of the list. Even the Bahamas looks ready for a mini-boom.

BY JOE RENNISON

مكتبة الأصل

COLLECTING

Attractions of antique bamboo

BY JANET MARSH

I CAN BOAST that I collected Victorian and Edwardian bamboo more than 20 years ago — long before it came back into vogue. I cannot pretend, however, that it was from any real aesthetic foresight or market sense. It was simply that in those impoverished days I had a bedroom with a floor so rickety that you could not have trusted it with the weight of the family bible. Only featherweight bamboo furniture was comparatively safe and suitable. In any case it was cheap.

Perhaps I would have regarded my collection — which is what my bedroom furnishings eventually became — more highly, and kept it in my more affluent days, if I had then had the benefit of Gillian Walkling's new book *Antique Bamboo Furniture* (Bell and Hyman, £6.95), which is the first study of this odd by-way of the Victorian industrial revolution in furniture manufacture.

Miss Walkling traces the history of bamboo furniture back to China, and its first vogue in England in the mid-18th century when the taste for Chinoiseries led both to the import of authentic Chinese furniture and the often exquisite simulations of the great Georgian furniture makers. The book illustrates one of a set of bedroom chairs made by Chippendale for David Garrick about 1770, which whimsically introduces a hint of the Gothic taste while remaining a singularly satisfying piece of design in its own right.

The first inspiration of the Prince Regent's eclectic Oriental Pavilion in Brighton was Chinese, and authentic Chinese furniture and English adaptations still happily sit side by side there.

In spirit and design such early pieces—which few of us are ever likely to afford—are very different from the bamboo furniture which came into vogue in the 1870s, and was still being produced (according to Miss Walkling; I would have been interested to know more about the later manifestations) in the 1930s. The taste arose with the craze for things Japanese after Japan was opened up to the West in the 1850s and 1860s, and inspired designers of the Aesthetic Movement, like E. W. Godwin and Christopher Dresser.

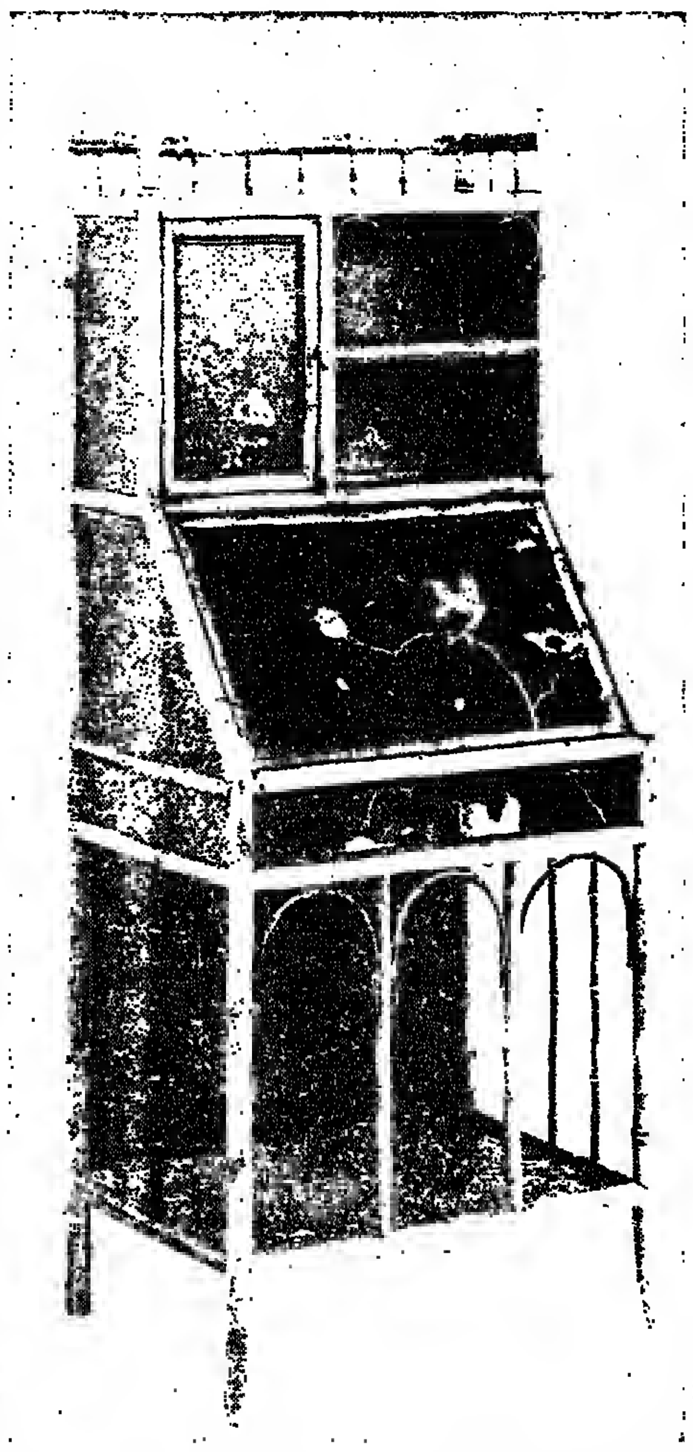
The common bamboo furniture which is still found in quantities today reflected the way this taste filtered down into popular currency. The Japanese themselves, in fact, seem to have used bamboo furniture little, unlike the Chinese who still employ bamboo for every conceivable purpose and endow it with religious and philosophical significance. Origins did not matter to the Victorian and Edwardian purchasers; and anyway the furniture that was churned out by factories in East London and Birmingham developed its own distinctive, native, period styles, with only vague vestiges of authentic oriental decorative motifs.

Japan nevertheless obligingly supplied most of the raw materials: the bamboo canes themselves, sheets of ready-made lacquer work for tops and drawer fronts (the best was gold on red and yellow grounds: the cheaper sort had a black ground); grass matting for lower quality ranges of goods; and rolls of gold embossed "leather paper" for covering sides and other parts not exposed to wear.

The carcases, hidden under all this decoration, were made of the cheapest materials. Miss Walkling has evidence of perfectly reputable manufacturers re-using old bacon boxes or orange crates for the purpose. The down-market manufacturers simply knocked their furniture together with nails; but the better class had the hollow ends of the canes pegged and carefully jointed.

Bamboo was the original knock-down furniture. It was ideal for export, since it could be packed with the dismantled parts carefully numbered for re-assembly. One of the most enterprising manufacturers, W. F. Needham of Birmingham, invented a metal joint—rather like that used on steel scaffolding—which was claimed to be a great improvement in strength and appearance. With a rather dubious flush of classicism he named his product Ferrum Jungo.

Industriously Miss Walkling, who works in the Furniture and Woodwork Department of the Victoria and Albert Museum, has compiled a directory of known manufacturers and importers of bamboo. Most are English, but a few are recorded in France, the United States and Germany, where bamboo manufacture seemed to be linked with the production of bent-wood. An important part of bamboo furniture making was indeed the bending, effected by heating the cane over a flame.



SALEROOM

PAMELA JUDGE

CHRISTIE'S SALE in London yesterday of Continental pictures of the 19th and 20th centuries made a total of £264,690. The top price of £10,000 was given for a work by Jean Leon Gerome called "The Moorish bath." "The greeting," by Vittorio Reggianini went for £9,000, and a wooded river landscape by Carl Ebert sold for £7,000.

In the same rooms Russian coins and medals amounted to £170,013—a record for such a sale at the house. Alstrom, Switzerland, was successful at £7,000, £5,200, £4,200 and £3,600 for four different fine and rare roubles of the early 1800s. Antiquities sold by Christie's in New York on Thursday made £253,660.

Chinese decorative arts under the hammer at Sotheby's reached £217,152. A large and rare dated gilt-bronze figure of Chen Wu, Guardian of the Northern Quadrant, sold for £5,400 and a massive pair of cloisonne moon flasks made £4,400. Spinks gave £3,900 for a Sino-Tibetan gilt-bronze figure of Kuan Ti, God of War. In the afternoon session the highest price was £7,500 for an ivory carpet followed by £5,500 for a rare silk and metal thread Yarkand carpet, and £3,000 for a hardwood Haung Hua-Li side cabinet.

At Sotheby's Belgravia Vintage Cameras was successful at £2,400 for a Negretti and Zambra sliding box single lens stereo camera. A collection of some 275 brass bookbinding tools fetched £1,600 and Corner Antiques gave £900 for horse brasses and other horse decorations. The Science Museum bought a Von Carl Osterland analytical chemist's cabinet of the mid-19th century.

BRIDGE

E. P. C. COTTER

ANOTHER BOOK by Terence Reese and Roger Trezel (Gollancz £1.95), *The Art of Defence in Bridge*, will do much to lighten your darkness in what is by common consent the most difficult part of bridge.

Ducking is by no means the prerogative of the declarer—I think you will find the deal which follows of exceptional interest:

N.
♠ J 10 3
♡ 7 4 3
◇ 9 6
♣ A K J 3 2

W.
♠ 9 8 7
♡ K J 9 5
◇ Q 10 8 4
♣ 9 5

E.
♠ A 6 5 2
♡ 10 6
◇ J 5 3
♣ Q 7 6 5

S.
♠ K Q 4
♡ A Q 8 2
◇ A K 7 2
♣ 10 4

South dealt at love all and bid one heart, North said two clubs, and South rebid three no trumps, a perfectly sound sequence. South seemed to be in comfort with two spades, at least one heart, two diamonds, and four clubs. But there were entry problems, which the East player was clever enough to exploit.

Taking the diamond lead with his King, the declarer ran the 10 of clubs, and East, as most players would have done, coolly ducked. South was a seasoned campaigner, and was not prepared to believe that East did not have the Queen, so he switched to the spade King. Once more East refused to win, and when the spade Queen followed, he allowed that card to hold also.

You may think that it is all right for East to win the spade Queen and play a third round to destroy the entry, but this defence gives declarer a chance of getting home, if he is alive to the true position. He cashes Ace and King of clubs, forcing West to discard a heart, and continues with Ace and another diamond. After making two diamond winners, West has to lead a heart into South's major tenace.

Let us examine East's three ducks—the first stops South from making four club tricks, the second stops him from creating a later entry into dummy, the third, the most far-sighted of them all, keeps open the lines of communication between the defenders, and so prevents West from being endplayed.

The finesse against partner is regarded—and rightly so—as one of the deadly sins, but sometimes it is the correct defence, because it persuades the declarer to use a high card which he would prefer to withhold. Study this hand from a rubber:

N.
♠ 7
♡ Q 9 5 2
◇ K 9 6 3
♣ K J 9 2

W.
♠ A 9 6 5 3
♡ 10 7 3
◇ A 2
♣ 7 5 3

E.
♠ K J 4
♡ J 8 6 4
◇ 8 7 5
♣ 8 6 4

S
♠ Q 10 8 2
♡ A K
◇ Q J 10 4
♣ A Q 10

With North-South vulnerable, South dealt and bid one diamond, West put in a bid of one spade, North raised to three diamonds, and South's three no trumps closed the auction.

West led the spade five, and all depended upon East's play to this trick. If he plays the King and follows with the Knave, South covers, and the defence can pack their bags. West's overcall has placed the diamond Ace, so South knows that East cannot get in for another spade lead through his hand. If West wins, he cannot attack spades: if he ducks, the declarer forces out the diamond Ace, and makes 10 tricks.

But see what happened when East played the Knave of spades at trick one. Whether he ducked or won with the Queen, as he did, the declarer could not make his contract, because East's finesse against his partner had kept open the lines of communication between the East and West hands. When he took his diamond Ace, West led a spade to East's King, and the spade return defeated the contract.

CHESS

LEONARD BARDEN

THE RECENT international at Banja Luka, Yugoslavia, could prove just as significant for world chess over the next decade as the result of the Karpov-Korchnoi match. The Russian winner, Gary Kasparov, celebrated his 16th birthday during the tournament and, in his first major event outside the USSR, won first prize ahead of 14 grandmasters.

Not only the victory but the style of it pointed to a future world champion. Kasparov led throughout the 15 rounds, fulfilled the GM norm with two rounds to spare, eased up at the finish with draws, yet finished two points clear of Andersson, winner at Hastings, and 2½ ahead of Petrosian, the former world champion.

Full results were Kasparov 11½ out of 15, Andersson and Smejkal 9½, Petrosian 9, Adorjan 8½, Knezevic 8, Matanovic and Browne (U.S. champion 1976-78) 7½, Bukic 7, Marovic, Vukic, Marjanovic and G. Garcia 6½, Hernandez and Kurajica 6, Sibarevic (the only other non-GM) 4.

This column had already drawn attention to Kasparov's results last year when he was still internationally unknown, but I did not expect quite such remarkable progress. If Banja Luka truly reflects his current strength, Kasparov is better for his age than Fischer and Spassky were at 16—and they, too, were already grandmaster strength. His tournament rating of 2,700 would put him already in front of all Karpov's rivals except perhaps Korchnoi.

Of course, his progress cannot continue so quickly. One important reason is that unlike such as Fischer, Mecking, Spassky and Karpov, whose break-through to the top coincided with a favourable stage of the triennial world championship cycle so that they went more or less straight through into the interzonal and candidates (in Karpov's case direct to the world title) Kasparov has missed the zonal stage by a few months and so has to wait until 1981-84 before he gets his chance.

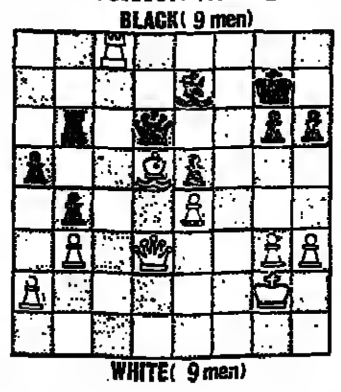
Like most young players (Karpov was an exception), Kasparov's forte is in calculation and attack but he also has the all-round skills to achieve board domination in the classic style of his teacher Botvinnik. Here is one of his wins from Banja Luka.

White: G. Kasparov (USSR). Black: D. Marovic (Yugoslavia). Opening: Queen's Gambit Declined.

1 P-QB4, P-K3; 2 N-KB3, P-Q4; 3 P-Q4, N-KB3; 4 N-B3, B-K2; 5 B-N5, 0-0; 6 P-K3, QN-Q2; 7 Q-B2, P-B4; 8 0-0-0, Q-R4; 9 K-N1, P-KR3 (weakens the K-better BPxP); 10 P-KR4! QPxP (taking the knight gives White a strong attack down the KR file); 11 BxBP, N-N3; 12 BxN! PxB (or BxB; 13 N-K4); 13 B-K2, PxP; 14 PxP, B-Q2; 15 R-R3, N-R5; 16 R-N3 ch, K-R1; 17 Q-Q2, NxN ch; 18 PxN, K-R2; 19 B-Q3 ch, P-B4; 20 N-K5, B-QN4; 21 R-B3! ("my hardest move of the tournament"—writes Kasparov in "64." The R seems well placed but has to make room for the KNP's 23 Q-K2, BxN; 24 BxB, P-K4; 25 RxP, B-R6; 26 Q-K4, K-R1; 27 R-R5, Q-R2; 28 QxQ ch, KxQ; 29 PxP, K-N3; 30 P-N4, PxP; 31 R-Q7 (simpler is 31 RxKP, RxP; 32 R-K6 ch and R-Q7 ch with a quick win). QR-K1! (counters B-Q3 ch); 32 RxNP, RxP; 33 RxQRP, B-B1? (R-Q1! 34 B-B7 ch, RxB; 35 RxB, R-B7 is much harder for White); 34 R-R6 ch, K-R2; 35 R-B5 and Black, two pawns down and lost,

POSITION No. 272

BLACK (9 men)

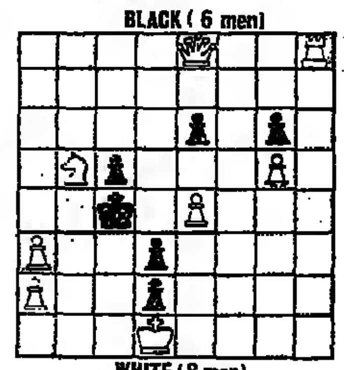


WHITE (9 men)

It's not often that the ordinary player has a chance to spot something simple which world champion Anatoly Karpov overlooked. Play in this diagram from Karpov v. Hubner, Montreal 1979, continued with Black (Hubner) to move 1...Q-Q2; 2 Q-B4, R-KB3; 3 R-B7, Q-Q3 and the game was later drawn. What did Karpov miss during this sequence?

PROBLEM No. 272

BLACK (6 men)



WHITE (8 men)

White mates in three moves, against any defence. The West German composer F. Giegold, who died recently, established an international reputation for his apparently simple problems which caused solvers great difficulty.

Solutions page 12

ARTS

Deuce take it!

Tom Stoppard had to do a certain amount of rewriting on *Professional Foul* for its first radio production (Radio 4 UK June 11) earlier this week. Those opening shots of the British philosophers in mid-flight on the way to the conference in Prague, finishing their aeroplane meal, needed some more dialogue on sound only but apart from a few details of that kind, we heard the same text that was used for the original television production in 1977. And, happily, it had the same principals, Peter Barkworth and John Shrapnel, for the itinerant, logic-chopping pair of dons. This was a World Service production (what good things they do on that channel), directed by Gordon House. It

RADIO
ANTHONY CURTIS

made me think that this neat piece of satire must be one of the most durable of Stoppard's works.

He has given us a philosopher before in *Jumpers*, and pointed out the discrepancies between what he says and what he does, but here the setting of an international congress in a Communist country with the English footballers staying in the same hotel as the dons, provides him with a succession of political and social targets at which to aim his rapid, accurate rat-rat-tat of verbal bullets.

I could have done with a more distinctly Czech tone in the accents of some of the local characters to make me feel I really was in Prague falling foul of the security police, and not in a studio in Portland Place, but *otherwise* it came over unarringly.

You could certainly not fault Mr. Barkworth's depiction of the high-calibre academic who greets every fresh event with fastidious, analytical distaste. This time events, in the form of flagrant injustice to a former pupil now working as a lavatory-cleaner (Nigel Anthony), catch upon *him* so *fast* that he is forced to move for once from the world of philosophical speculation to the realm of positive action. As the congress gets under way and we hear the paper read by a zealous American colleague, philosophy comes to seem a greater and greater irrelevance to what is actually happening and the leisurely conference ritual a mockery when contrasted with the dialogue fraught with danger in the hotel room and the wanted man's apartment.

Stoppard is a specialist in the internecine rivalries which afflict professional groups and in Barkworth and Shrapnel he had two perfectly matched combatants.

That wide-ranging literary critic, Sir Victor Pritchett, has for some years been urging us all to read Meredith, and the urging has, I suspect, largely gone unheeded. There is the opportunity to get on terms with Meredith in small, comparatively painless doses in the current Sunday night drama serial on Radio 4 UK. I recommend D. G. Bridson's adaptation of *The Adventures of Harry Richmond*, directed by John Cardy, especially now it no longer clashes with *Crime and Punishment*. The story so far is that young Harry, brought up by his irascible grandfather at Riversley Grange in Hampshire, has just come into a considerable fortune on reaching the age of 21 and has started on the Grand Tour chaperoned by a bookish cleric called Peterborough.

The journey exposes Harry to the influence of his reprobate father Richmond Roy who diverts the party to Ostend and its casino. Will the filial Harry be inveigled into had spendthrift habits by his papa? I suggest you listen to James Aubrey as Harry, and Anthony Newlands as *his dad fighting it out this* weekend. The only trouble is that although Meredith had a fine feeling for the big dramatic coup—the novel opens with a marvellous midnight attempt by the prodigal father to abduct his infant son—he took his time leading up to the theatrical moments. Here he fills in with a direct address to the reader by the hero and Mr. Bridson has not always been able to digest these confessional chunks. Otherwise full marks.

We shall soon be getting that startling, annual proof of radio's ability to turn an event for the eye into a happening for the ear: I refer to the ball-by-ball commentary on radio from Wimbledon, a feat of articulation that always leaves me breathless with admiration. In the meantime in *Very Mixed Doubles* (Radio 4 UK, June 13), Peter White presented a varied collection of tennis-matches described by authors as diverse as Angela Brazil, H. G. Wells, John Betjeman, Scott Fitzgerald, and Irwin Shaw, showing on the whole a rather ugly set of motives behind the elegant stroke-play.

Krisztina Laki and Marius Rintzler

The Silent Woman

Die Schweigsome Frau returns to Glyndebourne two years after the first performance there of the production by John Cox in designs by Michael Annals. Once again Andrew Davis conducts the London Philharmonic. He and they are even more successful than before in containing the bustling activity of late Strauss within tolerable limits without letting the surface go dull or obscuring too many of the German words. The horn playing was an especial delight — Strauss writes for the instrument like an epicurean. Peter Gottlieb returns to the role of the officious barber Scheldebart, who manipulates the action of the piece. He is as assured and stylish as ever, but this time he is more strongly supported.

The central figure of Morosus, the retired admiral who cannot endure noise and lives, surrounded by naval trophies, in a padded attic near St. Paul's, is taken this time by Marius Rintzler, excellent singer with a voice like old Madeira, resourceful character actor with expressive, watchful features. Morosus is a big role but not an easy one.

The mock-wife Timidia (really Aminta, married to the admiral's long-lost nephew and heir, Henry) is another improvement. Krisztina Laki had not quite settled down on Thursday, but her best singing was a clear and pure as crystal. She looked charming, with a regretful air that betrayed how little Aminta relished deceiving the old man—in fact, the streak of sentimentality in the libretto makes the whole thing more unpleasant than a hard-faced, artificial romp of the conventional type. Jerome Pruett as nephew Henry had some telling phrases and some that went thin and dry. The travelling opera troupes of whom Henry and Aminta are members were led with majestic gusto by Joseph Rouleau—his first but surely not last appearance at Glyndebourne. The other mummers rampage about with results entertaining or dispiriting according to one's tolerance of strolling players. Mr. Cox directs their antics, mock-marriage, mock-trial and all, with tact as well as skill.

Though it still seems that subject and libretto as well as a good deal of the score will prevent *Die schweigsame Frau* from rivalling *Intermezzo* or *Capriccio* in our affections, much of the music comes up better a second time. There are cheap passages (like the opening of act 2) and rackety ones, but also precious stones of vocal and instrumental writing like the scene of the three prospective "brides" leading to the false Timidia's demure solo with cor anglais; the nocturnal duet for the young *marrieds* turned into a trio by the off-stage snores of Uncle Morosus; the straussianly euphonious passages where the admiral sings the praises of silence and domestic peace. And the two ensembles for the comedians, already mentioned, though they hold up the action, could only have been fashioned by a master.

RONALD CRICHTON

The Red Line from Finland

Such was the acclaim that greeted Aulis Sallinen's *The Red Line* at its Helsinki première six months ago that the Finnish National Opera was persuaded to bring it to London. It had—sadly—its one performance at Sadler's Wells on Thursday: sadly, because it is an opera of great consistency and effectiveness, and the plain strength of Kalle Holmberg's production was answered by a splendid cast. Max Loppert reported the first performances very fully on this page in December; we had again the fiery Jorma Hynninen as the crofter hero, with Taru Valjakka as his bitterly dignified wife. The smaller roles were rendered with incisive detail by the excellent company, but special mention is due to Usko Viitanen's socialist agitator—a richly ambiguous blend of convinced idealist and cynical pro—and Erkki Aalto's young priest, inveighing against class hatred with moving innocence.

The opera belongs to a genre, one defined not by subject matter nor musical idiom, but by a notion of what works best in music theatre. Puccini, Janacek and Menotti have all worked within it. So does Sallinen, who adopts the formula with professional astuteness, and the advantage of his predecessors' examples. He does not borrow material (except the suspended celesta-trill from *Peter Grimes*), but he borrows forms, and fills them out with music sufficiently characterful and homogeneous to make a genuinely distinct piece. I don't for a moment mean to suggest insincerity—only that the dramatic side of the opera (derived from a novel by Ilmari Kianto) has come first, and that its musical realisation has been shaped with an eye (and ear) *to well-attested models*.

The story is of the politicisation of poor crofters, marginal Finns discovering in 1907 the potential of the ballot-box and the promise of collective socialism. *Mutatis mutandis*, there are East European pieces enough which embody the theme; the special factor in *The Red Line* is a Russian bear, an unpredictable, marauding destroyer whose threat to peasant existence is beyond the reach of good local intentions. The theme must have a hard resonance for Finns, and sharp echoes for the rest of us. With this alien, irrational force looming, Sallinen views the ideological strides made by his characters with some ironic detachment—and a craftsman's sense of how to make their little history immediately vivid.

Where full-throated reactions are called for, Sallinen supplies his singers with suitable ones in a coherent personal style. It is sophisticatedly modal, accommodating at one end big, appealing folk-numbers in concert-style (tune picked out on glockenspiel, modern percussion-noises on the offbeat) and at the other cluster-chords and orchestral screams: in this opera, antitonal devices always illustrate terror and confusion. The warring sentiment of the community make striking choral numbers. The orchestration is unfailingly apt and telling. It is Sallinen's commitment to the story that makes all the more than mere expertise—the canny concision of the scenes and the dramatic timing testify to real, practical imagination. It will be exciting if so substantial a talent conjures up another opera less beholden to the convention of the genre, one in which the music takes fuller command of the action; meanwhile, *The Red Line* stands as a robust example of creative loyalty to a type.

DAVID MURRAY

Jorma Hynninen

Leonard Burt

American Days at the ICA

Into the escapist limbo of a top record company executive's office — all aquarium, refrigerator, knee-high carpet and gold discs — tumble three teenagers, spotted by an insecure talent scout and given a hit or miss chance to impress.

American Days, which has just started a four week run at the ICA Theatre, has fashionable writer Stephen Poliakoff (*Hitting Town, City Sugar*) dealing for once with a fashionable subject, linking the worlds of the theatre and rock music. But rather than perceptive insights and cutting dialogue there is an enjoyable old fashioned tease: which one of the three, if any, will be chosen?

Will it be the Brum punk, Tallulah, played by Toyah Willcox with a nice mix of aggression and uncertainty; Gary, portrayed by Paul Daniels as a youthful adrenalin rush who continually goes over the top; or Lorraine, the skinny kid hiding ingrained feminine cunning, and a good performance from Caroline Embling? Poliakoff has the dramatic ability to make you care very much.

The play is held together by Antony Sher as Sherman, the perpetually moving professional who knows he is only as good as his last number one. Not daring to sleep unless he forgets which city he is in, living out of the refrigerator and hooked on constant action, Sherman is not an unsympathetic character. He may be in a cut-throat, candy-floss, business, devoted to exploiting people in the rush to exploit fashion, but he has no personal vices, as well as no public virtues.

By the end Sherman is momentarily rocked, the selfish integrity of the new generation of teenagers, unwilling to be won over completely by big business, shakes for a second his confidence in the system. But then it is off to the airport and unreality. Poliakoff may have taken a superficial look at the pop industry but under the direction of John Chapman and Tim Fywell, this is a well acted, nicely rounded, and completely enjoyable play.

ANTONY THORNCROFT

TV/Radio

BBC 1

† Indicates programmes in black and white

7.40-8.30 am Open University (Ultra High Frequency only). 9.00 Camberwick Green. 9.15 Laff-a-Lympics. 9.35 Tabitha. 10.00 Play Sport. 10.25 Tom and Jerry. 10.40 Trooping the Colour. The Queen takes salute on Horse Guards Parade, London, on her official birthday.

12.15 GRANDSTAND: World Cup Cricket (12.20, 1.50, 2.20, 2.50) The Prudential Cup: England v Pakistan and West Indies v New Zealand. International Rugby Union (1.20) Australia v Ireland. Racing from Bath (1.35, 2.05, 2.35). 2.50 The Belmont Stakes from the United States. International Tennis (2.55) The Stella Artois Grass Court Championships: Semi-finals. International Show Jumping (3.55) Benson and Hedges Championships. 4.55 Final Score.

5.20 News.
5.30 Sport/Regional News.
5.35 The Hardy Boys and Nancy Drew Mysteries.
6.20 Juke Box Jury.
6.50 † "One Million Years BC" (film) starring Raquel Welch.
8.25 The Paul Daniels Magic Show.
9.00 Sword of Justice.
9.50 News.
10.00 The Voyage of Charles Darwin.
11.00 International Show Jumping: World Cup Cricket.
12.30-12.35 Weather.

All Regions as BBC1 except at the following times:

Scotland—12.15-5.20 pm Grandstand, including SAAA Championships.

Wales—9.00-9.15 am Heads and Tails.

Northern Ireland — 1.20-1.50 pm (Grandstand) Rugby Union: Australia v Ireland. Re-join BBC1 (Grandstand). 5.30-5.35 Sport/News for Northern Ireland.

BBC 2

7.40 am Open University.
†3.10 pm "The Holly and the Ivy" (film) starring Ralph Richardson.
4.30 World Cup Cricket. The Prudential Cup: England v Pakistan and West Indies v New Zealand.
7.30 News and Sport.
7.45 Jazz from Montreux.
8.25 Word for Word.
8.30 The Hollywood Greats: Charles Laughton.
9.50 International Sports Special: The U.S. Open Golf Championship; International Tennis.
11.30 News.
†12.00 "The Suspect" (film) starring Charles Laughton.

LONDON

8.35 am Sesame Street. 9.35 The Fantastic Four. 10.00 Superman. 10.30 The Mersey Pirate. 12.30 pm WORLD OF SPORT: 12.35 International Sports Special Part One: American Soccer; Clay Pigeon Shooting. 1.15 News. 1.20 Motor Cycling. 1.50 The ITV Seven: Racing from York (2.00, 2.30, 3.05 and 3.40) and from Sandown (2.15, 2.50 and 3.25). 3.50 International Sports Special Part 2: Tennis. 4.55 Results.
5.05 News.
5.15 The Masterspy.
6.00 Mork and Mindy.
6.30 Kidnapped.
7.00 Chopper Squad.
8.00 Celebrity Squares.
8.30 Lovely Couple.
9.00 News.
9.15 The Sons of Katie Elder (film) with John Wayne.
11.30 Police 5.
11.40 On the Road.
12.40 am Close.

ANGLIA

8.05 am Invasion Road. 8.35 Buying and Selling a House. 10.00 Club Club. 10.40 The Mersey Pirate. 5.15 Mork and Mindy. 5.45 Masterspy. 7.00 The Incredible Hulk. 11.30 Stones in the Park. 12.20 am At the End of the Day.

ATV

[illegible]

BORDER

9.35 am The Lost Islands. 10.00 The Beachcombers. 5.15 Mork and Mindy. 5.45 The Masterspy. 7.00 The Six Million Dollar Man. 11.30 Michel Legrand and his Friends.

CHANNEL

12.18 pm Puffin's Pla(i)ce. 5.15 Mork and Mindy. 5.45 Lucan. 6.50 The Masterspy. 7.00 Kidnapped. 11.30 Music in Camera.

GRAMPIAN

9.30 Sesame Street. 7.00 Chips. 10.50 Reflections. 11.30 On the Road. 12.00 Police Surgeon.

GRANADA

8.35 am Early Musical Instruments. 10.05 Happy Days. 5.15 Mork and Mindy. 5.45 The Masterspy. 7.00 Chips. 11.25 Bachman-Turner Overdrive. 12.25 Fireside Theatre.

HTV

8.05 am Invasion Road. 9.30 The Beachcombers. 9.55 Mr. Margo. 10.05 [illegible]

SCOTTISH

[illegible]

SOUTHERN

[illegible]

TYNE TEES

[illegible]

ULSTER

[illegible]

WESTWARD

[illegible]

YORKSHIRE

9.00 Cartoon Time. 9.10 Spiderman. 9.30 Space 1999. 5.15 Mork and Mindy. 5.45 The Masterspy. 7.00 Chips. 5.00 Lovely Couple. 8.30 Celebrity Squares. 11.30 Celebrity Concert.

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

[illegible]

RADIO 2

[illegible]

RADIO 3

[illegible]

RADIO 4

[illegible]

BBC Radio London

[illegible]

London Broadcasting

[illegible]

Capital Radio

[illegible]

TV RATINGS W/E JUNE 10

UK TOP 20 (Viewers m)

1	The Dick Emery Comedy Hour	(Thames)	15.5
2	Coronation St (Wed.)	(Gran)	15.3
3	In Loving Memory	(Yorks)	14.65
4	Coronation St (Mon)	(Gran)	14.5
5	Crossroads (Thurs)	(ATV)	13.4
6	Crossroads (Tues)	(ATV)	13.15
7	Crossroads (Wed)	(ATV)	12.85
8	Crossroads (Mon)	(ATV)	12.3
9	Sing a Long with Max	(Thames)	12.25
9	That's Life	(BBC)	12.25
11	World in Action	(Gran)	11.95
12	Hazell	(Thames)	11.85
13	Emmerdale Farm (Thurs)	(Yorks)	11.75
14	Sword of Justice	(BBC)	11.6
16	Winner Takes All	(Yorks)	11.2
15	The Mallens	(Gran)	11.2
17	Emmerdale Farm (Tues)		11.15
18	Don't Just Sit There	(Yorks)	11.0
19	The Crypton Factor	(Gran)	10.65
20	Paul Daniel's Magic Show	(BBC)	10.6

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)

1	Three's Company	(ABC)	23.1
2	Charlie's Angels	(ABC)	21.5
3	M.A.S.H.	(CBS)	21.5
4	Angie	(ABC)	21.3
4	Alice	(CBS)	21.3
6	Mork and Mindy	(ABC)	21.2
7	Laverne and Shirley	(ABC)	20.9
8	Taxi	(ABC)	20.5
9	Stockard Channing-Friends	(CBS)	20.4
10	When the West Was Fun	(ABC)	20.1

WEEKEND CHOICE

SATURDAY If pop music nostalgia is your bag (that is the phrase, isn't it?) then today's your day. Just 20 years after the start of the first series, BBC1 is reviving Juke Box Jury for a new run under the chairmanship of Noel Edmonds, the David Jacobs of 1979. Then at 11.00 pm ITV repeats Stones in The Park, a film about the Rolling Stones' free Hyde Park concert 10 years ago. It was made by a production team which now looks very starry: Jo Durden-Smith, Michael Darlow, Mike Grigsby, Denis Mitchell and John Sheppard.

SUNDAY At noon Granada's State of the Nation starts a run of a fascinating sounding series about freedom of speech in Britain, using Harvard's method of hypothetical case studies to analyse the problems. At 8.15 ITV starts repeating The Lovers, written by Jack Rosenthal and starring Paula Wilcox and the late Richard Beckinsale. Catch Soop on ITV at 10.00 before the series disappears.—C.D.

CHESS SOLUTIONS

Solution to Position No. 272

1...Q-Q7! (a mistake in an inferior position) could have been answered by 2 R-N8 ch, K-R2; 3 RxP! K or RxR; 4 B checks and 5 QxQ.

Solution to Problem No. 272

1 R-R6, P-K4; 2 QxNP, KxN; 3 Q-R6 mate.

هكذا من الأصل

RSC
Aldwych
Mon, Tues 7.30
Mikhail Bulgakov's
THE WHITE GUARD
"A real discovery... demands to be seen" D. Telegraph
01-836 6404

The Musical Theatre Company presents
"THE BEST MIKADO I'VE SEEN" "WHAT'S ON"
Gilbert & Sullivan's
The Mikado
WESTMINSTER THEATRE

ANTIQUE MAPS AND PRINTS FOR INVESTMENT
Comprehensive catalogue service available or visit one of our galleries.
COLLECTORS TREASURES LIMITED
Hogarth House, High Street, Wendover, Bucks HP22 6DU. Wendover 624402.
91, High Street, Amersham, Bucks HP7 0DU. Amersham 7213.
Join the Map Collectors' Club £5.50 per annum.

MEMORIAL SERVICES

ADEANE.—A memorial service for Sir Robert Adeane will be held at St. Michael's, Cornhill, on Thursday, 28th June at 11.30 a.m.

CONCERTS

QUEEN ELIZABETH HALL

TOMORROW EVENING at 7.15 p.m.
Park Lane Group in ass. with the Goethe Institut
first appearance in Great Britain of
THE TWELVE CELLISTS
OF THE
BERLIN PHILHARMONIC ORCHESTRA
Works by Funck, Klengel, Eder, Villa-Lobos, Blacher
Tickets: £2.80, £2.30, £1.80 £1.30, 90p from RFH Box Office (tel: 01-928 3191)

TUESDAY NEXT 19 JUNE at 7.45 John Woolf presents
AN EVENING WITH THE PARK LANE MUSIC PLAYERS
Mozart, Marin, Marais, Mozart, J. C. Bach, C. P. E. Bach, Schubert, Mozart
£2.00, £1.70, £1.40, £1.20, 80p from Box Office (01-928 3191)

ROYAL ALBERT HALL

VICTOR HOCHHAUSER presents
SUNDAY 24 JUNE at 7.30
Overture, William Tell .... ROSSINI
Fantasia on Greensleeves .... VAUGHAN WILLIAMS
Piano Concerto in A minor .... GRIEG
Symphony No. 9 (from the New World) .... DVORAK
ROYAL PHILHARMONIC ORCHESTRA
ELLI JAFFE IRENA ZARITSKAYA
Tickets 75p, £1.00, £1.50, £2.25, £2.75, £3.25 (01-589 6212) & Agents

VICTOR HOCHHAUSER presents
SUNDAY, 1 JULY at 7.30
GUARDS BANDS SPECTACULAR
The Massed Bands of
Grenadier Guards. Coldstream Guards
Irish Guards. Junior Musicians Wing. Guards Depot.
Pipes, Drums and Dancers — 2nd Bn. Scots Guards
Corps of Drums — 1st Bn. Scots Guards
Trumpeters of the Life Guards
Musketeers of the Scots Guards
Programme will include the Musical Epic
'BATTLE OF WATERLOO' with muskets, cannon, mortar effects
75p, £1.00, £1.50, £2.25, £2.75, £3.25 (01-589 6212) & Agents

WIGMORE HALL

Tickets from Wigmore Hall, 36 Wigmore Street, W.1. (01-935 2141)
Manager: William Lyne — Mailing List £1 a year

Tonight 16 June 8.00 p.m.	HELEN CROWN flute, Lucy Carolan piano. £2.20, £1.70, £1.20, 80p. Basil Douglas Ltd.	Peter Lamb: Sonatina; Alexander Goehr: Variations Op.6; Schubert: Introduction & Variations Op.160; Roussel: Joueurs de Flûte; Prevost: Paschos (1st perf.); Françaix: Divertimento
Sunday 17 June 7.30 p.m.	IT DON'T MEAN A THING. BBC Jazz Society	Eddie Thompson piano, Len Skeat bass, Tony Kinsey drums, Danny Moss tenor, Digby Fairweather trumpet, GEORGE CHISHOLM trombone and guest singer ELAINE DELMAR
Monday 18 June 7.30 p.m.	LESLEY SHRIGLEY JONES cello, Roger Vignoles piano, Ruth Tyler. Concert Management	THE ROMANTIC 'CELLO. Franck: Sonata in A major (1886); Sibelius: "Malinconia" Op.20 (1900); Rachmaninoff: Sonata in G minor Op.19 (1901). £2.20, £1.70, £1.20, 80p
Tuesday 19 June 7.30 p.m.	BARBARA GEARY American pianist. £2.20, £1.70, £1.20, 60p. Helen Jennings Concert Agency	Beethoven: Sonata in E flat Op.31 No.3; Chopin; Liszt; Debussy: Images, 1re Série; Liszt: Mephisto Waltz
Thursday 21 June 7.30 p.m.	LINDA NICHOLSON fortepiano. 1st prizewinner at the Concours International du Forte-piano, Paris '78	Haydn: Sonata No.38 Hob.XVI 38; Mozart: Fantasia in C minor K.396 & Sonata in C K.330; Beethoven: Sonata Op.53 'Waldstein'; Schubert. £2.20, £1.70, £1.20, 80p
Friday 22 June 7.30 p.m.	MICHAEL GRIMM guitar. £2.20, £1.70, £1.20, 80p	Milan: 3 Pavans; Sanz: Suite Antiguas; Grand Solo; Duarte: English Suite; Tarrega; Bach: Chaconne in D minor; Sor; Albéniz; Granados; Walton; by Hans Haugh. R. R. Bennett. Barrios

VICTOR HOCHHAUSER presents
JULY 3 to 14
Direct from China the Legendary
PEKING OPERA
first time in London for 25 years – a magnificent spectacle of dance, drama, acrobatics, comedy, mime and song – sumptuous costumes, dazzling colours – a unique entertainment
"A stunning spectacle" *Financial Times*
"A ballet triumph and miracle" *Die Welt*
Prices: £1.50, £2.50, £3.50, £4.50, £5.50, £6.50, £7.50
Evgs 7.30. Mat July 7 at 2.30
Box Office 01-836 3161
Credit Card phone bookings (open Suns 10 to 4) 01-240 5258
LONDON COLISEUM
St Martin's Lane London WC2

HAMPSTEAD CHORAL SOCIETY
WREN ORCHESTRA
CONDUCTOR MARTINDALE SIDWELL
VERDI REQUIEM
ROYAL FESTIVAL HALL
FRIDAY, JUNE 29 at 8 p.m.
Tickets £5, £4.25, £3.50, £2.75, £2.00, £1.20 from Box Office (01-928 3191) and Agents

ART GALLERIES

THEO WADDINGTON, 25, Cork Street, London, W.1. Tel 734 3534. ANDRE DERAIN—Paintings, Watercolours, Drawings—until 7 July. Daily 10-5.30. Sats. 10-1.

ROY MILES, Victorian and Pre-Raphaelite Paintings. 6, Duke Street, St. James's, S.W.1. Telephone 01-930 1900.

OMELL GALLERIES, 22, Bury Street, St. James's, S.W.1. 19th CENTURY ENGLISH AND CONTINENTAL OIL PAINTINGS. Our current stock comprises over five hundred selected works with prices from £400 to £2,000. For further details phone 01-930 4274-5.

OMELL GALLERIES, 40, Albemarle Street, Piccadilly, W.1. New selection of fine Modern French paintings including Blanchard, Coetlogon, Deschamps, Delin, Grassi, Hoste, Jacob, Pesset, Rozin, etc., and fine modern British marine paintings and watercolours.

LUMLEY CAZALET, 24, Davies St., W.1. 01-499 5058. AKIRA KUROSAKI—Recent Woodcuts. Until 27 July.

GALERIE GEORGE, 95-98, George Street, W.1. 01-935 3322. 19th and 20th Century British & European oil paintings, watercolours and drawings in keen trade prices. £100-£2,000. Mon.-Fri. 10-6.

COLNAGHI, 14 Old Bond St., London, W.1. 01-491 7408. OLD MASTER PAINTINGS AND DRAWINGS. 19 June-3 August. Mon.-Fri. 9.30-6. Sats. 10-1.

FINE ART SOCIETY, 148 New Bond St., W.1. 01-629 5116. THE RE-DISCOVERY OF GREECE.

BLOND FINE ART, 33 Sackville St., W.1. 01-437 1230. CEDRIC MORRIS—90th Year Tribute. Oil Paintings and Drawings. Until 7 July.

ASH BARN, until July 1 Mostly Landscapes by Trevor Chamberlain. Plus Regular Exhibition of Paintings & Sculpture. Daily 10-6. Sundays 2-6. Closed Mondays. Winchester Road, Stroud, Petersfield, Hampshire. Phone 0730 3682.

FIRST LONDON EXHIBITION of the Spanish Painter JUAN MIRASIERRAS. Human Realism. SPANISH INSTITUTE, 102, Eaton Sq., S.W.1. 01-235 1465. 13-27 June. Mon.-Fri. 10-6. Adm. free.

MALCOLM INNES, 172, Walton Street, London SW3. 584 0575. Caroline Matilda Baker "Wartime London and other paintings." June 13-29.

COVENT GARDEN GALLERY, 20 Russell Street, WC2. 838 1139. Summer Exhibition until July 4. Early British Watercolours, Drawings, Pastels and Oils. Lawrence, Sandby, Rowlandson, Adam, Hardy, etc. Daily 10-5.30, Saturday 10-12.30, Thursday 10-7.00.

MacCONNAL-MASON CECIL KENNEDY AND HIS FLOWERS. June 12-26 Mon.-Fri. 9.30-5.30. Sat. 9.30-12.30. 14 Duke Street, St. James's, London, S.W.1. Tel: 01-839 7893.

MARLBOROUGH, 6, Albemarle St., W.1. BRAQUE CHAGALL LEGER MIRO MONET SIGNAC SOUTINE VUILLARD & sculpture by HEPWORTH LIPCHITZ & MOORE until 22 June. Mon.-Fri. 10-5.30. Sat. 10-12.30.

MORTON MORRIS & CO. (in association with J. L. W. Bird), 32, Bury Street, St. James's, London, S.W.1. 01-930 2828. Exhibition of 19th century watercolours of the WEST INDIES until 22nd June. Weekdays 10.00-6.00. Sat. 10.00-1.00.

HAMILTONS, 13, Carlos Place, Nr Grosvenor Sq., W.1. 499 9493-4. Important exhibition of the French late impressionist painter Marcel Vertes. Including oils, watercolours, drawings and lithographs.

LEFEVRE GALLERY, CONTEMPORARY PAINTINGS. Weekdays 10-5. Sats. 10-1. At 30, Bruton Street, London, W.1. Tel. 01-493 1572.

REDFERN GALLERY, JEFFREY SMART. NEW PAINTINGS. June 7th-July 4th. 20, Cork Street, London, W.1. Mon.-Fri. 10-5.30. Sat. 10-12.30.

SABIN GALLERIES, 4, Cork Street, W.1. 01-734 6186. EXHIBITION OF ENGLISH PAINTINGS 1611-1830. Monday-Friday 9.30-5.30.

CHRISTIE'S

Experience & Expertise

No. 384

French all-steel wheel-lock pistol, No. 259, in the Cabinet d'Armes of Louis XIII, circa 1600-1610, 27 in. Sole, Wednesday, June 20.

The French all-steel wheel-lock pistol illustrated above is one of the highlights in a sale of Important Antique Arms and Armour, a total of only fifteen lots, to be held at Christie's on Wednesday, June 20th, at 2.30 p.m.
One of the most interesting collections of firearms ever assembled was formed by Louis XIII of France (1610-1643). Louis was given his first gun when he was three in 1604 and by the age of ten already owned seven arquebuses. By 1614 he had a collection of fifty pieces and continued, throughout his reign, to purchase interesting guns from European gunmakers. One of his favourite occupations was to retire to his *Cabinet d'Armes* in the Louvre to dismount and clean the guns himself. Louis inherited many fine guns from his predecessors and his collection was added to by *his son Louis XIV. The whole* collection was *described*, catalogued and numbered in the *Inventaire Général du Mobilière de la Couronne* in 1681. The illustrated pistol is stamped with the inventory number on the barrel and matches precisely its description in the Inventaire. The exact dispersal of the collection is not known. It seems likely that the more decorative pieces were separated from the collection perhaps at the time of the French Revolution, and many of the plainer guns were claimed by the victors as booty of war after the Battle of Waterloo in 1815. In England these were originally placed in the Royal Artillery Museum at Woolwich and later divided between the collections of the Tower of London and the Victoria and Albert Museum.

For further information on this sale or future sales of Antique Arms and Armour, please contact Peter Hawkins at the address below:

Christie's. Fine Art Auctioneers since 1766.
8 King Street, St. James's, London SW1Y 6QT
Tel: (01) 839 9060 Telex: 916429 Telegrams: Christiart London SW1

Troy, the Winner of the 200th Derby in gold, silver or bronze.

A bicentenary sculpture in a specially commissioned limited edition.

DERBY 200

Evans Iberian Bronze Limited are proud to announce that Moises Colomo, the celebrated Spanish equestrian sculptor, has been commissioned to model for posterity, TROY, the winning horse in the Bicentenary Derby.

Each sculpture will measure approximately 12" x 10". The gold and silver replicas will weigh a minimum of 100 troy oz. and 140 troy oz. respectively and will be hallmarked at the Assay Office, Goldsmith's Hall, London.

Moreover, the replicas will have considerable rarity value, as only a limited number will be available. There will be 10 gold, 50 silver and 150 bronze, sold worldwide.

In addition, each sculpture will bear the official Derby 200 emblem and the edition number, and will be accompanied by a personally signed certificate from the sculptor. Together with a commemorative booklet describing this historic day and horse.

The Colomo Derby 200 sculpture will be a permanent reminder of one of the most momentous sporting events this century, and a genuine work of art that will accrue in historical interest, and value, as the years go by.

The price of the sculpture is: £3,000 for silver, £750 for bronze. The price of the gold statue will be quoted on application, but is unlikely to be less than £30,000. The deposits required are £3,000 for gold, £600 for silver and £150 for bronze. Applications will be dealt with in the order in which they are received. Notification will be given of acceptance of applications, at which point the above deposits will be requested. These prices do not include VAT which will be charged at the prevailing rate on the day of invoice.

Please address enquiries to: Evans Iberian Bronze Limited, 81 Kensington Church Street, London W8 4BG. Telephone: 01-937 3614. Send No Money At This Time.

Please reserve on my behalf ______ Bicentenary Gold/Silver/Bronze sculpture/s of TROY, the winner of the Bicentenary Derby. I understand that upon acceptance of my application, I will be required to send an initial deposit, and that the balance will be payable upon completion of the sculpture. Delivery will take place within 7 months, from date of acceptance of my application list. To: Evans Iberian Bronze Ltd., 81 Kensington Church St., London W8 4BG. Registered No. 1415741.

NAME ______
ADDRESS ______
POSTCODE ______
SIGNATURE ______

at Phillips

Monday, 18 June, 11 a.m.
FURNITURE, EASTERN CARPETS & OBJECTS.

Monday, 18 June, 11 a.m.
WATERCOLOURS.

Monday, 18 June, 2 p.m.
OIL PAINTINGS.

Tuesday, 19 June, 11 a.m.
FURNITURE, EASTERN CARPETS, RUGS & WORKS OF ART.

Tuesday, 19 June, 1.30 p.m.
FINE JEWELS. Ill. Cat. £1.20 by post.

Wednesday, 20 June, 11 a.m.
ORIENTAL CERAMICS & WORKS OF ART.

Thursday, 21 June, 11 a.m.
ART NOUVEAU & DECORATIVE ARTS.

Friday, 22 June, 11 a.m.
ENGLISH & CONTINENTAL SILVER & OLD SHEFFIELD PLATE
including a collection of English & Continental Toys; Bird Dining Table ornaments, Teasets, candlesticks & Judaica.

Monday, 25 June, 11 a.m.
FURNITURE, EASTERN CARPETS & OBJECTS.

Monday, 25 June, 2 p.m.
19th CENTURY PAINTINGS.
Ill. Cat. £1.50 by post.

Tuesday, 26 June, 11 a.m.
FURNITURE, GOOD PERSIAN CARPETS & RUGS, WORKS OF ART &
at 12 noon **BRITISH & CONTINENTAL PEWTER & METALWARE.**

Tuesday, 26 June, 1.30 p.m.
ANTIQUE & MODERN JEWELLERY.

Tuesday, 26 June, 1.30 p.m.
BOOKS, MSS, ATLASES & MAPS.
PHILLIPS WEST 2
Thursday, 21 June, 10 a.m.
FURNITURE, PORCELAIN & OBJECTS.
PHILLIPS MARYLEBONE
Friday, 22 June, 10 a.m.
FURNITURE, PORCELAIN & OBJECTS.

Phillips Auctioneers will be pleased to see you at Stand 605 at the Royal Highland Show near Edinburgh from 18-21st June.

Phillips will also be attending the Royal Norfolk Show at Norwich, Stand No. 497 and will be pleased to see you there on the 27-28th June.

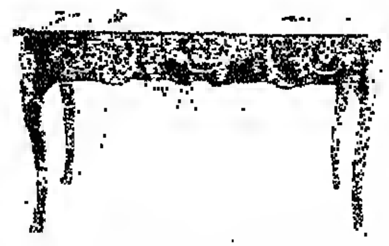
Phillips principal saleroom at 7 Blenheim St., New Bond St., London W1Y 0AS. Tel: 01-629 6602.

Member of the Society of Fine Art Auctioneers. view 2 days prior unless stated.

Spencers
OF RETFORD

By order of the Executors of Albert Gunter deceased

NEWTON OLD HALL, NEWTON, DERBYSHIRE



An important Louis XV bureau plat by Christophe Wolff

THE FINE CONTENTS OF THE HOUSE

To be sold by auction on the premises on Tuesday 17th July at 10 a.m.

On view Friday and Saturday 13th and 14th July 10 a.m. to 3 p.m.

Important English oak and walnut furniture including an XVIII Century walnut bureau cabinet, XVII Century oak open armchairs, XVII Century tester beds, a fine late XVI Century oak draw leaf refectory table, court cupboards.

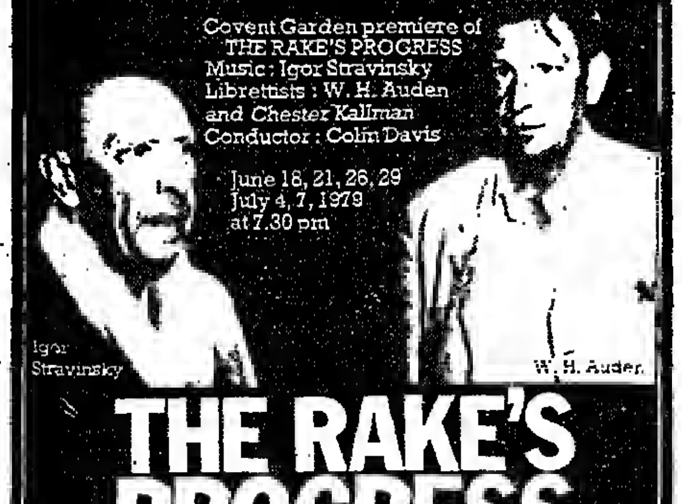
A fine Louis XV mahogany bureau plat by Christophe Wolff. Good longcase clocks, carpets and rugs. Silver, Sheffield and other plate; pottery and porcelain; glass; books; oil paintings, early metalwork, carvings and works of art, antiquities.

Garden statuary and outside effects.

Catalogues 65p each by post. Applications to be prepaid.

HENRY SPENCER AND SONS LIMITED
20, The Square Retford, Nottinghamshire
Telephone (0777) 706767

Royal Opera House
Covent Garden
The Royal Opera



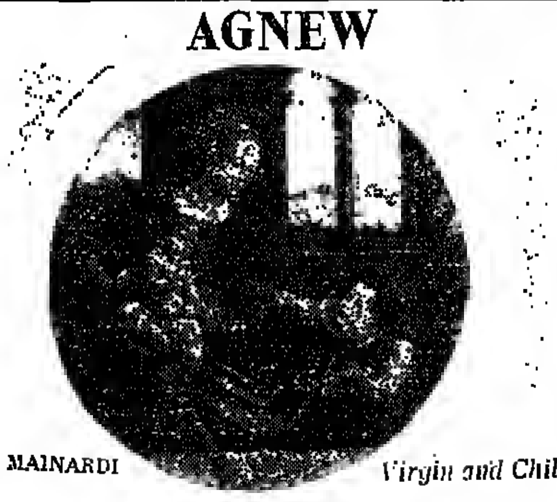
Covent Garden premiere of
THE RAKE'S PROGRESS
Music: Igor Stravinsky
Libretto: W. H. Auden and Chester Kallman
Conductor: Colin Davis
June 18, 21, 26, 29
July 4, 7, 1979
at 7.30 pm

Igor Stravinsky — W. H. Auden

THE RAKE'S PROGRESS

Seats available. Book now on 01-240 1066 or 01-836 6903 Gardencharge instant credit card booking

AGNEW



MAINARDI — *Virgin and Child*

An Exhibition of
OLD MASTER PAINTINGS
Until 27 July
43 Old Bond Street, London, W1
Cables: Resemble, London, W1 Tel. 01-629 6176
Mon.-Fri. 9.30-5.30 p.m. Thurs. until 7.00 p.m.

FINE STAMPS
AN ALTERNATIVE INVESTMENT
For fully descriptive brochure write to:
U.H. FINE STAMP INVESTMENT SERVICE (FT)
9 Christmas Steps
Bristol BS1 5BS
Telephone: 0272 20443

HARTNOLL & EYRE LIMITED
39 Duke Street, St. James's, London, S.W.1.
Telephone: 01-930 9308
INDIA REVISITED
Paintings of Guerin, Geeste, Agra and elsewhere
January to March 1979
by
TEDDY MILLINGTON DRAKE
Wednesday 20th June to Friday 6th July

EXHIBITIONS

FIRST LONDON EXHIBITION of the Spanish Painter JUAN MIRASIERRAS. Human Realism. SPANISH INSTITUTE, 102, Eaton Sq., S.W.1. 01-235 1465. 13-27 June. Mon.-Fri. 10-6. Adm. free.

LEGAL NOTICES

No 00924 of 1979
In the HIGH COURT OF JUSTICE Chancery Division In the Matter of MOORHOUSE & BROOK LIMITED and in the Matter of The Companies Act 1948
NOTICE IS HEREBY GIVEN that a Petition was on 15th May 1979 presented to Her Majesty's High Court of Justice for (a) the sanctioning of a Scheme of Arrangement and (b) the confirmation of the reduction of the Capital of the above-named Company from £400,000 to £62,000 by cancelling and extinguishing the 1,170,000 issued Ordinary Shares of 20p each and the 104,000 issued 7½ per cent Cumulative Preference Shares of £1 each in the Capital of the said Company. The amount by which the Capital of the said Company is proposed to be reduced is to be applied in paying up in full new Shares of the said Company to a like amount in accordance with the said Scheme of Arrangement.
AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Honourable Mr. Justice Slade at the Royal Courts of Justice Strand London, W.C.2. on Monday the 25th day of June 1979.
ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of Capital should appear at the time of hearing in person or by Counsel for that purpose.
A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.
Dated this day of 1979.
HEXTALL ERSKINE & CO.
of Dunster House,
Mincing Lane,
London, E.C.3.
Agents for LACES & CO.,
Castle Chambers,
40, Castle Street,
Liverpool.
Solicitors for the above-named Company.

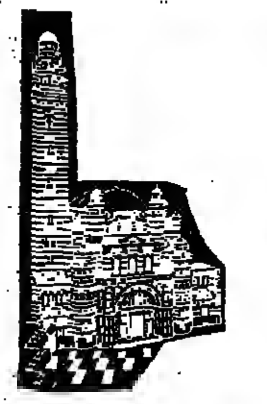
No 001089 of 1979
In the HIGH COURT OF JUSTICE Chancery Division. Mr. Justice Slade Monday the 21st day of May 1979. In the Matter of VIEWRANKS INVESTMENTS LIMITED and in the Matter of THE COMPANIES ACT, 1948
NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated 21st May 1979 confirming the reduction of the capital of the above-named Company from £2,600 to £2,200 and the Minute approved by the Court showing with respect to the capital of the Company as altered the several particulars required by the above-mentioned Act were registered by the Registrar of Companies on 25th May 1979.
Dated this 14th day of June 1979.
ROWE & MAW,
of 15 Devereux Court,
Essex Street,
London WC2R 3JX.
Solicitors for the above-named Company.

COMPANY NOTICES

CANADIAN NORTH ATLANTIC WESTBOUND FREIGHT CONFERENCE
CANADA-UNITED KINGDOM FREIGHT CONFERENCE
NOTICE TO SHIPPERS AND IMPORTERS
INLAND RATES/CHARGES IN ENGLAND, SCOTLAND AND WALES
The Member Lines of the above Conferences wish to advise shippers and importers that, consequent upon a thorough review of their current structure of inland rates and charges, a revised scale of rates and charges has been formulated in order to take account of the current level of costs which the member lines are forced to incur in providing the services in question. This will result in increased levels of rates and charges which will become effective 15th July 1979 and will incorporate the present 5 per cent emergency surcharge, and details of these may be obtained from any of the undernoted member lines:—
Atlantic Container Line G I E
Canadian Pacific Steamships Ltd
Dart Container Line Company Ltd
Hapag-Lloyd AG
Manchester Liners Ltd and Golden Cross Line Ltd. (Joint Membership)
CANADIAN ATLANTIC FREIGHT SECRETARIAT LTD., SECRETARIES
Cunard Building,
Liverpool L3 1DS.
June 1979

CANADIAN PACIFIC LIMITED
(Incorporated in Canada)

DIVIDEND NOTICE
At a Meeting of the Board of Directors held today, the following dividends were declared:
ORDINARY CAPITAL STOCK
A dividend of eighty cents (80c) per share on the outstanding $5.00 par value Ordinary Capital Stock in respect of the year 1979, of which forty-five cents (45c) per share is the proceeds of a dividend from Canadian Pacific Investments Limited, payable in Canadian funds on July 30, 1979, to shareholders of record as at the close of business on June 26, 1979.
7¼% CUMULATIVE REDEEMABLE PREFERRED SHARES, SERIES A
A dividend of thirty-six point twenty-five cents (36.25c) per share on the outstanding 7¼% Cumulative Redeemable Preferred Shares, Series A, payable in Canadian funds on July 28, 1979, to shareholders of record as at the close of business on June 26, 1979.
4% PREFERENCE STOCK
A dividend of two per cent (2%) on the outstanding 4% Preference Stock in respect of the year 1979, payable on July 30 1979 to stockholders of record as at the close of business on June 26, 1979.
By Order of the Board,
J. C. AMES,
Vice-President and Secretary
Montreal, June 11, 1979.



FLOWER FESTIVAL WESTMINSTER CATHEDRAL
International Year of the Child
12th-15th JULY 1979
9 a.m.-9 p.m.

DUE TO THE CANCELLATION OF
THE GROSVENOR HOUSE ANTIQUES FAIR
W. R. Harvey & Co (Antiques) Ltd
are proud to announce
A SPECIAL EXHIBITION
of recent acquisitions at their Chalk Farm premises
13-23 JUNE
Opening hours: 9.30-1 and 2-5.30
67-70 CHALK FARM ROAD, LONDON, NW1 • TEL: 01-485 1504

SALEROOM ADVERTISING
appears every SATURDAY
For further information please contact:
RICHARD JONES
01-248 8000, Ext. 323

PAINTINGS

BUYER'S GUIDE

Old masters in great demand

BY ANTONY THORNCROFT

THE ANTIQUE trade is in a atate of shock over the cancellation of the Grosvenor House Antiques Fair, the largest in the country, which was due to open this week. An industrial dispute at the hotel had led to picketing and the organisers were reluctant to jeopardise the works of art. But the cost in lost business will be tremendous.

The Fair attracts 30,000 visitors, many from abroad, and around £20m of the £40m worth of gooda on display was expected to be sold. Since dealers acquire stock on credit many are left with expensive items which need desperately to find buyers. No wonder some of the 80 dealers are holding their own small exhibitions, and anyone wandering around the Bond Street area, or Belgravia, will discover the leading antique dealers with much larger and more interesting goods on offer than usual.

The dealers in paintings are not quite so involved in Grosvenor House (they will again be showing off some of their choicest things at the Burlington Fair at the Royal Academy in the autumn), and, in the main, they are in good heart. Demand for paintings has grown steadily since the bad year of 1973, with many new buyers, who might in the past have collected prints, appearing at the £500 or under level.

The market at most price levels is very strong, and the tax cuts on higher incomes announced in the Budget should free a great deal of cash for buying pictures. At the moment the antiques trade is getting it both ways—when the Stock Exchange booms some of the profit made is invested in art; when the economic outlook is gloomy art thrives as a good alternative investment. Aod London still benefits from its reputation as the centre of the international art market. We may not be active buyers for the highest priced paintings, but British expertise, and the dominance of Sotheby's and Christie's as auctioneers, attract to London the American, Continental and Japanese buyers of the top Old Masters and Impressionist paintings.

For the collector with £1m or so to spare: Fra Bartholommeo's Madonna and Child with Saints, which is being auctioned by Christie's on June 29. The painting is being sold by Lady Cook, widow of Sir Francis Cook.

They should be out in force at Christie's on June 29 when the best Old Master painting to appear at auction in two years comes under the hammer—a Madonna and Child with Saints by the Renaissance artist Fra Bartolommeo. It could sell for £1m. The fact that Bartolommeo, who a decade ago would not have been reckoned in the first division of artists, should command such a sum underlines the paucity of very best Old Masters appearing on the market. The museums have effectively creamed off most of the finest; Government controls prevent the export of national masterpieces and thus restrict sales; and the old British families who still own works by the acknowledged Masters are reluctant to sell: they know they are holding appreciating assets. If a painting of the quality of the Bartolommeo does appear there are enough well funded museums, both public and private, to make forecasting a price very difficult. At least there seems little reason why the Government should not allow it to be exported.

But it is not a one way traffic: over 40 per cent of the paintings up for auction in the Christie's sale will have come from abroad. A feature of the art market is not only its internationalism and the new dominance of museums over private collectors but the breadth of demand. For a generation attention has been concentrated on the Impressionists; now the earlier periods are returning to favour. Italian paintings of the 17th century are a case in point, and Colnaghi has many on view at its summer exhibition opening next week. There are still areas *which are a little over-looked*—18th century portraits, especially when the sitters are unknown, can be acquired very cheaply, and French neo-classical art of the Napoleonic period remains out of favour. Some early panel paintings, which the museums are well stocked with, also offer bargains. But in the main the scramble is on for anything good.

One surprise is the keen interest in British art, mainly from nationals but also by continental collectors. A recent Christie's sale of Victorian art set many records, including an extraordinary £220,000 for an Arab scene by Lewis. As the pre-Raphaelites get too costly attention is switching to their drawings and to Victorian genre paintings. Roy Miles is holding his fourth annual sale of Victorian pictures at the end of the month and prices will be 20 per cent higher than a year ago. Even a relatively unknown artist like James Sant carries a price tag of £30,000 for an admittedly pretty painting of children.

While there is a readjustment at the top of the market, with prices, say, for Veronese much higher than in the past because works by Titian are no longer available, so there is a thriving business at the bottom end. The top dealers are not really interested in paintings under £500; they are not worth the trouble. So a new breed of collector, and more modest dealers, have stepped in, underpinning the market. The only sector where there are problems is the middle—in the £3,000-£10,000 bracket. There are a great many unattractive paintings, some by great artists, which fail to capture the imagination of buyers and which carry large costs in cleaning and hanging. Many are over-priced because their owners, who were lured into collecting during the first investment wave of a decade or so ago, now expect a profit which just is not justified by the appeal of the pictures. Although the general tone of the market is good, some of the 18th century *continental* paintings acquired at excessive prices in the early 1970s would fall far short of such levels today. Investing in art requires knowledge and inclination as well as a hefty bank account.

If Old Master paintings of any quality are now beyond the reach of most private collectors, the same is not true of drawings and prints. Prices here have moved ahead sharply, culminating in the exceptional £640,000 for the Durer watercolour in last summer's von Hirsch sale at Sotheby's. But really attractive items by acknowledged masters are still available, and Sotheby's has a good collection of drawings coming up on June 28. But here knowledge or advice are essential, or, best of all, a sound aesthetic eye.

Fine collections for sale

IN EARLY July Sotheby's and Christie's, in their annual week of summer sales of Impressionist and modern pictures, are *disposing of two of the best* private collections to reach the market for some time. Sotheby's is handling the dispersal of the Rosenberg family collection, with many works acquired direct from artists such as Picasso, Matisse, Leger and Braque, while Christie's sells the Mettler collection, acquired in the 1920s and including a Van Gogh which should make £500,000.

The sales are important because the paintings are "fresh": they have not been on the market before. If prices are up to forecast it will be confirmation that demand for good Impressionist pictures is back almost to the levels of the early 1970s before the first oil crisis frightened off the new collectors who had pushed prices up to exorbitant heights. Given the inflation since then, there must be many paintings that have not yet regained their purchasing price in real terms, but at least there is more confidence around. Impressionist, modern and contemporary art has always been a fickle business, with a high percentage bought in lots-at auction, and artists moving quickly in and out of favour. But despite economic uncertainties the trend in recent months has been decidedly towards higher prices.

This is inevitable. The large purchasing funds of museums; the insatiable demand of Americans for modern art; the perpetual disappearance of the finest works into permanent collections which will never re-sell them, means that, unless there is a desperate financial slump, the prices of the best 20th *century* paintings will go steadily upwards. But buyers are now *more knowledgeable. There will* always be the less good works of top artists that will either go cheaply or remain unsold. Even though the Japanese bought heavily at exorbitant prices a decade ago, there are no signs that they are off-loading their paintings on to the market. At the highest levels the tone is good.

It is the same throughout the market. In recent months British artists of the last 70 years have enjoyed a revival. Works by Sickert, Dawson, Russell Flint, Munnings, and others are regularly setting records at auction, and although their prices are still low by international standards, and their admirers relatively few and British, it underlines the point that good works of art are getting progressively scarcer while the demand for them in an age of depreciating money seems certain to increase. And with contemporary British artists earning worldwide reputations while the New York abstract school is out of fashion and Paris is dull, there is a chance that British art will end up in international collections.

The confidence is visible in all the new galleries that are opening, catering for a young generation of buyers who can acquire something worthwhile for as little as £250. These are collectors who started by purchasing prints and have now made the progression. The recent trends in art have probably contributed to the brisker market: aggressive abstract painting is less fashionable and figurative, immediately accessible, art has made a comeback. The reputation of London has been helped by the revival at the Royal Academy, which is now taken *seriously by painters and offers* a truly representative selection of contemporary art in its current Summer Show.

There is a tremendous gap between the small dealers and the main Bond Street galleries catering for a mainly international market, but they share one thing in common: they have to overcome the prejudices of the British about art. In this country paintings are bought out of income rather than capital, and although the investment possibilities have attracted a new breed of calculating rich men in recent years, the British, as a race, are not enthusiastic collectors. If anything the really rich might dabble in watercolours, but the active patrons of art are few and far between. It means a brisk trade for paintings below £1,000 which are necessary wall decorations, but at higher levels it is the Continentals and Americans that keep Bond Street in business.

Perhaps the younger generation will stay with their commitment to art. There is very much more interest and expertise around now, and the development of Sotheby's and Christie's into the largest auctioneers in the world has helped considerably to inform and encourage buyers. But the constant headlines about record prices can distort reality: 60 per cent of all items coming under the hammer are knocked down for less than £200, and each month hundreds of paintings pass through the salerooms for paltry sums. The dealers are currently antagonistic to the salerooms. They are their best customers but they resent the way the auction houses are creaming off buyers, especially *institutions*, and *ignoring the* accumulated knowledge of dealers. It is not always realised that dealers will sell works on commission, too, often at a lower charge than the salerooms, and in recent months many collectors of art are noticing that prices of paintings at the galleries can be lower than in the auction room where, carried away by the momentum of the sale, buyers have been known to pay more than they intended.

The dealers have another complaint—against British companies, who ought to be replacing the private patron but seldom do. The Contemporary Art Society, a non-profit making organisation, is starting to advise more companies on art purchases and recently acquired 200 contemporary paintings to embellish new premises of De Beers, but the attractions in investing in art are not only to furnish offices but also to cheer up the staff and to build up some appreciating assets in a commendably chauvinistic way. Perhaps the commission charges that the dealers levy (they take anything between a third and a half of the price of a painting) has given them a doubtful reputation, and there are indeed many who are more concerned with their turnover than their commitment to art. But a really good dealer provides an essential service for both artist and customer and no one should be frightened away by the austere atmosphere of most London galleries.

A.T.

Renoir's Le Pecheur a la Ligne, which is being sold by Mr. and Mrs. Nigel Broackes in Sotheby's impressionist sale on July 4. It is expected to fetch over £500,000.

Picasso's Nu assis s'essuyant le Pied, one of the Rosenberg collection paintings to be sold at Sotheby's on July 3. Pre-sale estimate is for a figure in excess of £200,000.

BOOKS

Bloomsbury survivor

BY C. P. SNOW


David Garnett: literary inheritance

'reat Friends by David Garnett. Macmillan, £9.95, 240 pages

David Garnett is one of the st survivors from pre-1914 erary England. He was 22 hen war broke out, had ready listened to Conrad, anned round Germany with rd Madox Ford, excused himif from going to bed with ieda Lawrance. He was an reditary member of the literary world. His grandfather chard had been Keeper of inted Books at the British useum. His father Edward s the most adventurous pubher's reader that England has d, protector of D. H. Lawrence d of talents major and minor. lward's wife, Constance, vid's mother, was the translor of the great nineteenth ntury Russians, and did more an any single person to troduce them here.

No one could have spent more his youth than David Garnett the company of writers. This, be says, left him with one eat benefit. He imbibed in e family air the essential fact at writers were exactly like eryone else. Of course they rote books, but that was taken r granted. They were no more fty, or wise, or truthful, or nevolent than the other ople he met. He became the st person to hero-worship riters as writers, or to believe the romantic conception of e artist. He is naturally lerant, and amiably disposed other human beings, writers cluded. That cheerful impartiality has always given a special quality to his reminiscences of the literary life, and in this new collection, does so still.

Much of what he now writes is not new. He has said a good deal before about his impressions of the Lawrences, D. H. and T. E. We have heard before, from himself and others, about his part in Bloomsbury circles. It oughtn't to need saying that Bloomsbury was not a homogenous entity. It had lots of departments and enclaves, affiliates and honorary members. An ingenious scientist once drew a kind of elaborate administrative chart, tracing relationships in various coloured inks. Garnett appears to have drifted affably from one set to another.

In some quarters ba was thought to be too commonsensical, and too near the earth. That may have been because he was unashamedly fond of women, a proclivity which wasn't in the best possible taste.

Actually, though his judgment has always been independent and not excessively fine drawn, he is nothing like such a plain man as that stereotype suggested. Certainly he read biology at Imperial College, which was also regarded as vaguely offensive; but that was an escape from the intense literary climate of his family. There is a prosaic commonsensical strain in his best writing, and that is what gives his fantasies their cardinal virtue. Lady Into Fox would be little more than a plaything without it. As H. G. Wells wrote of that unique book: "I have nothing to say about how it is done, because I think it is perfectly done and could not have been done in any other way."

Garnett makes his own judgements, usually surprising to the modish, and not surprisingly sees the genius in Wells. In this volume there is also an unfashionable tribute to George Moore, so persuasive that one will have to look at some of Moore's books carefully. Garnett is not over-indulgent to E. M. Forster, whom he found personally irritating. Of the Bloomsbury heroes, Keynes (as a biographer) and Virginia Woolf are the only two for whom he has kept unqualified regard.

It is agreeable, and characteristic, that in old age he exerts himself to write some appreciations of writers almost a generation younger than himself. There are three of these, all acquaintances of his later life, all now dead. Again the names are not fashionable — H. E. Bates, T. H. White, Carson McCullers. On the last two, Garnett shows himself at his kindest, admiring their gifts, sad about their self-destructive fates. Incidentally, was Carson McCullers's chief affliction only rheumatoid arthritis? It didn't seem so to most who knew her, though they would totally agree with Garnett's testimony to her pathos and her sweetness.

These pieces are worth studying for themselves — and also to teach us that someone in his late eighties can still keep his disinterested interest active and fresh.

From Poland with love

BY GEORGE MALCOLM THOMSON

Joseph Conrad: The Three Lives by Frederick R. Karl. Faber and Faber, £12.50, 1,008 pages

How pleased Joseph Conrad would be today that the Pope is a Pole! Conrad may have been a Catholic with a somewhat tenuous hold on the faith (so, at least, I guess) but he was able to understand how much his country owes to the unifying and inspiring power of the Church. And he, better than most men, would realise how much a Polish Pope can do for his fellow countrymen.

Whatever he became—an English ship's officer, an English writer, a naturalised British subject, a man whose descendants are living in England thinking of themselves as English—Conrad was to begin with a Pole of the Poles. His ancestors had fought for Napoleon; his father was a Polish nationalist conspirator, a nobleman, sent by the Russians into exile in northern Russia where conditions were so severe that he died as a consequence.

Joseph Conrad (Joseph Theodor Konrad Korzeniowski), left Poland at the age of 16 determined to become a sailor. It was a puzzling ambition in a way because at that time (1874) Poland had no coastline of her own.

That he wanted to leave his home in "Russian" Poland is easy enough to understand: to stay, might mean military service in the Russian army. But why the sea? Unless it symbolised the most complete escape possible from the constrictions of life under the Tsar and, perhaps, from gloomy thoughts of his father's defeated cause.

He turned up in Marseilles, the scene of a still mysterious episode in his life: some involvement in gun-running to the Carlist rebels fighting in Spain; perhaps a love affair, a likely enough happening for which there is no real evidence; an attempt at suicide. After that, the sea again, this time on an English ship bound for Lowestoft.

It proved to be a crucial event in the young man's life because at some stage he made up his mind to become an English seaman. Why?

He had begun to read Shakespeare in English, but he could not write the language. He spoke it, if at all, with a strong Polish accent. And France and French culture was, then, the natural choice for a Polish emigré. However, in a spiritual experience as sudden and almost as overwhelming as Saul's on the road to Damascus, young Korzeniowski touched the side of the British ship Mavis in the port of Marseilles and was aware that some strange force had given a new tug to his career. He had fallen in love with England.

His second life had begun. The third came 22 years later when he began to write his first novel, Almayer's Folly. By that time he had his Master's ticket and, what was more important, an accumulation of stories drawn from his experiences of the seven seas.

What triggered his imagination as a writer was apparently a meeting with a Dutch planter in South-East Asia named Omeijer—"if I had not got to know Omeijer pretty well it is almost certain that there would never have been a word of mine in print." This may be doubted. If there had not been that trigger there would, surely, have been another one. Conrad was an inevitable story-teller!

He had a powerful temperament; he was moody and deeply pessimistic, convinced that, however benevolent might be the intentions of the State, it must end in totalitarianism. "Socialism leads to Caesarism."

For reasons which are easy to understand, he was bitterly anti-Russian, which influenced his views on politics as well as literature: Dostoevsky, the most Russian of writers, was the novelist he hated most. Devoted to his English wife, Jessie George, dependent on her and rarely — if ever — wandering from the straight path, he gives the impression of having been an unhappy man.


Conrad: why did he go to sea?

Professor Karl, in this oversolemn, over-long, and very thorough study, combines not quite happily the role of biographer with that of critic. The result is that the book is confused: too much time is taken up with trying to relate the events in Conrad's fiction to the happenings of his life. However, this is the life of an intensely interesting man, and an unusual career.

The most endearing figure who emerges is Conrad's uncle and guardian Tadeusz Bobrowski, the Ukraine landowner who helped the boy with money and advice, and, when he died in 1894, left him 15,000 roubles. The money came at a crucial time for Conrad, just then trying to finish his first novel. He dedicated it to his uncle.

Fiction

Fate of Flatfish

BY RACHEL BILLINGTON

When I Whistle by Shusaku Endo, translated from the Japanese by Van C. Gessel. Peter Owen, £6.00, 280 pages

The Japanese novelist Shusaku Endo has woven together two themes in When I Whistle. The first arises from the story of Flatfish, an unprepossessing schoolboy whose love for an unattainable schoolgirl becomes the raison d'être of his short life. The second is expressed through the unediftying take of an ambitious, unprincipled young doctor; he is Flatfish's opposite in every way and hopes to win fame through experimenting with a new drug on a cancer patient.

The one theme explores the significance of the apparently superficial happening, the other examines corruption in modern medicine. They are not obviously compatible.

Yet Endo's slow and careful build-up which at the beginning runs the risk of losing all momentum, eventually pays off. The two themes combine to produce a work strong in moral sense which, if not as consistently powerful as his most famous work, Silence, has as much of importance to say.

Structurally, the two stories are linked through the person of Ono who is both Flatfish's friend and chronicler, and the doctor's father. The two themes draw even closer when the guinea-pig patient turns out to be Aiko, the object of Flatfish's love. The change in her role from deity to victim is subtly conveyed. Flatfish, with his foul smell, his "eyes bleary like a pop-eyed gold-fish," his undersized physique which succumbs to pneumonia during the war may turn out to be one of the great heroes. But it is only a very gradual realisation of his nature which is allowed to grow on the reader.

One of the strengths of Endo's work is a simplicity and directness of style. It is always dangerous to comment on style in a translated work yet it seems to be an important aspect of Endo's writing. The deaths of Flatfish and Aiko, are told with an unemotional economy of imagery which remains memorable. The after-taste of Endo's writing is often as potent or even more so than the immediate effect.

Leaving aside any possible distortion through translation (none was evident to me) the foreignness of the novel seems to give it an added dimension. It is most obvious in the Flatfish story which takes place against a background of World War Two. The horrors of the Japanese military system, though possibly no worse than anywhere else, are vividly portrayed. So are the Japanese class-barriers and the still relatively empty Japanese country-side. The freshness of background gives an additional freshness to the story for a Western reader.

In the modern hospital story, featuring the odious Dr. Eiichi, the spread of a uniform internationalism has swept away much of the strangeness of a foreign country. It may be that Endo is, to some extent, blaming the disintegration of human values on the new, Western-influenced standards. Endo who is immensely popular in Japan is a Catholic. Certainly there is an emphasis on the virtues of the past, particularly through the mouthpiece of Ono, the narrator. However the presence of an unassuming Flatfish type, Dr. Hakara, who is banished to the provinces when he won't play the medical experiment game, makes this no more than one strand among many.


Shusaku Endo: story — surgery

Storytellers of fantasy and chic

BY MARTIN SEYMOUR-SMITH

The Stories of John Cheever. Cape, £7.50, 693 pages

The Bloody Chamber and Other Stories by Angela Carter. Gollancz, £4.95, 137 pages

The Grab by Maria Katzenbach. Granada, £4.95, 276 pages

Children Crossing by Verity Bargate. Cape, £3.95, 160 pages

The Last Enchantment by Mary Stewart. Hodder & Stoughton, £5.95, 443 pages

For admirers of John Cheever this bumper collection of all his stories is a bargain indeed. But I doubt if many will read the book through from cover to cover; they will rather take two or three stories at a time. These are—for better or for worse—formula New Yorker tales: whatever Cheever wants to say, or does say, he must do it with chic. Reading right through this volume is a monotonous exercise. But dipping into it is at least entertaining.

East Coast American sophistication can be a curious phenomenon. It has style, but it is not always educated. Many of these stories are about Americans in Europe, particularly in Italy—and about Europe, particularly Italy, Cheever is massively unconvincing. And does he himself—or does his protagonist—think that the Manchester Guardian is a "conservative newspaper"? Cheever can satisfy an audience who "do" Europe, but who fail to take it in: readers who belong to it will often be discomforted.

A critic has said that Cheever has "seen through the glossy surface of prosperous America." One has to ask, though, how deeply has he allowed himself to dig below this surface? Not very deeply; but, it must immediately be added, very charmingly. To the false values of the well-heeled suburbanites whom he satirises (but for whom he writes), he opposes a set of decent, old-fashioned precepts: stout-heartedness, love, "a world that lies" (he tells us) "spread out around us like a bewildering and stupendous dream." This is not saying much, and what he is offering his readers is no longer available in the forms that he is offering it. And so he is at his very best when he is being funny, as in "The Music Teacher" or "The Chimera." In the first of these stories a man discovers the marital solace he lacks when he starts taking music lessons and "practises" at home. . . . But even this story is spoiled by extraneous detail about the teacher herself.

Why, then, is Cheever better than he should be? I think the answer is that his observation of his characters' habits is meticulously accurate and, above all, honest: comic though he often is, a sincere gloom pervades his stories—a gloom generated by his realisation (largely unconscious though this may be) that the "old values" don't persist. That is a great deal.

Angela Carter's tales in The Bloody Chamber try to simultaneously provide a mixture of old fare—Gothic, fairy stories, animal lore—and to examine its appeal. This is a courageous exercise, and she writes very well and fluently, with an intuitive understanding of her material. But there is, inevitably, much pastiche: we are too often reminded of Poe, Potocki, Apollinaire, even Bram Stoker, and of many others (tribute to the author's immense knowledge). Angela Carter employs a number of different masks in order to narrate these tales, and some of them are too merely mechanical. They do not function as an organic part of the stories. The Bloody Chamber is a tour de force all right, and one to be proud of; but it is little more than this. The material needs to be assimilated, and to emerge in a quite different form. But this is judging from high standards: no one who enjoys Gothic should miss the book.

Maria Katzenbach's The Grab describes a three-day period in which three women "grab" the possessions their rich mother has left. This is not because she has failed to leave a will: it is a family tradition. As they work their way through the accumulated property they recapture their own past in what is at first an atmosphere of acquisitiveness. But the custom—apparently cruel—is shown to have its point. The characters are seen—and this is brilliantly done—not in terms of what they think they are, but in terms of what they own or will own or believe they ought to own. We discover a great deal about them in this way, particularly about how they have gained an identity away from their family; the author shows, with some salutary ruthlessness, how closely bound up such seemingly extra-familial identity is with the past, with the original family membership. The Grab is an impressive and confident first novel.

Verity Bargate's second novel Children Crossing is even better than her first: tense, taut, bleak, truthful, utterly shocking. Its plot is so much a part of it that it would be wrong to say more than that it begins with a young woman taking her children to Cornwall because she has discovered a love-letter in her husband's pocket. Both the husband and the wife are living in a world of brutality and deceit; what is truly shocking is that it hardly matters whose version of events is the right one—but the children do matter. The end is so horrible as to be disturbing—disturbing because one cannot dismiss it by accusing the author of being "nasty" for the sake of being nasty. There has been no better novel of understatement since the first novel of Paul Bailey.

Mary Stewart's The Last Enchantment is narrated by Merlin, and tells of King Arthur's struggles with forces even more menacing than the Saxons. The writing is lush ("A moment of quickening stillness"), and people do not "draw" their clothes about them, but "gird" them. But Mary Stewart keeps it up, and has worked hard at it. It should prove deservedly popular among those who enjoy honest romance.

Pulling away the cloaks and daggers

BY ROBIN LANE FOX

The Victorian Historical Novel by Andrew Sanders. Macmillan, £8.95, 260 pages

It is not easy nowadays to admit to writing historical novels. Reading them is common enough, to judge from an estimate which gives them two-thirds of all hardback fiction titles. One cannot help watching them, if only through serials which the BBC thinks to be genuine history.

Serious novelists' dislike for the genre is quite recent and worth pondering. Largely, I think, it is the consequence of greater demands from history itself. Mr. Sanders has thought hard and pungently about the qualities of a whole cluster of 19th century historical fiction. He suspects that even that wearisome Romola may be seen by our children as Eliot's masterpiece. If so, they will simply be wanting to say something new. But his judgement is brisk and stimulating. If you feel like a tour of these neglected books, he is a vigorous guide to the course.

At times I wish he had said something about the sort of history-writing with which his chosen authors coincided. What, for Kingsley or Thackeray, counted as a true and perceptive portrait of a past age? Moral dilemma, I suspect, and a detailed canvas of everyday life, covered with the obsessive homeliness of Bulwer Lytton's Last Days of Pompeii. Hence, the cardboard staging to so much of the most explicitly "historical" fiction. History itself lacked a sure social sense. But as he reminds us, the historical novel covers a wide range from private to public settings, historical heroes or marginal narrators, books with history's great events at the centre and books which explore the impact of distant rumblings on private lives.

He has some acute things to say on Dickens, not least on Barnaby Rudge. His appreciation of Mrs. Gaskell's Sylvia's Lovers makes me keen to read it. By studying Hardy's The Trumpet Major, that other novel spun round the roughness of the naval press-gang, he reminds us how easy it would be to omit Hardy altogether from the class of historical fiction, The Dynasts, of course, excepted. The worse novels, perhaps, are more arresting, because they are more firmly embedded in the genre. Bulwer Lytton's Harold and Kingsley's Hereward are brought neatly into line with Victorian myths about the Norman conquest. That deserving pair, Newman's Callista and Kingsley's Hypatia, take on a clear light to this admirer of Hypatia's high colour, when seen against their author's views on the Victorian Church. Hypatia, indeed, is the most rewarding of the lesser lot, not least for its flashes of vivid landscape, a quality common to the best in its class. The fens of Ely, the melancholy of late Roman Egypt: these qualities, among the authors' projections of their own age into the past, do give their books a lasting compulsion. The virtue would not be lost, say, on Mary Renault, its modern exponent. But it also helps one see just how brilliant was that master of the neutral hero caught in history's great events, Sir Walter Scott. The more you look at his heirs and rivals, the less the surprise in his fertile impact on European readers. Mr. Sanders's tour through his legacy heightens respect for the man who began it all.

Ballet for New York

BY CLEMENT CRISP

Thirty Years: Lincoln Kirstein's The New York City Ballet. A & C Black, £7.50, 398 pages

"Over the last half century, the academic classic dance has been in the custody of a single person. Before him, Marius Petipa held the same position for a similar tenure. Few have matched Balanchine in capacities either to extend the idiom or to assemble steps which hold interest, both for dancers and for their audiences, over so extended a period . . . What Balanchine has been able to do is to take the academic skeleton and, without essential repudiation, re-form it by extension, and reclothe it in novel measurings and surprising release. This exercise amounted to a reconstitution, a propulsion past the capacities of previous practitioners."

Thus, near the very end of his revised and extended history of the New York City Ballet, Lincoln Kirstein encapsulates Balanchine's achievement. And in so doing, indicates his own achievement as right-hand man, Maecenas, uncompromising idealist about the classic dance in America. This essential book appears as a harbinger of the great company it celebrates, due at Covent Garden in September —the dates, for everyone's diary, are September 4-22 inclusive. I make no excuses for sounding like a publicity hand-out, for I make no secret of my love for the company itself, which satisfies my deepest feelings about dancing as only one other company—the Kirov—can. (And what, sudden thought, would the Kirov be like now had Balanchine remained in Leningrad ?)

Kirstein casts this book for the greater part in the form of entries in a supposed diary, which he amplifies, thus providing the most 'inside' of inside views of how a ballet company works. These are, in fact, the existing text from the grand picture-and-narrative history of NYCB which was published here in 1973. A 'post-script' of another 120 pages brings the story up to date, the date being 1978 and NYCB's 30th birthday.

In short—Galbraith and Victorian railways

The Nature of Mass Poverty by John Kenneth Galbraith. Harvard University Press, £4.95, 150 pages

This book is a re-written course of lectures, which originates from Professor Galbraith's post in the early 1960s as President Kennedy's ambassador to India. Galbraith begins, as we have come to expect, by attempting to debunk the conventional wisdom of his fellow economists, but this time the epigrams are surprisingly muted. He dismisses the lack of natural resources, of capital, or of educated manpower as explanations of poverty, and does not accept evidence suggesting that it might be due to race, climate, system of government, or terms of trade.

Galbraith's own, supposedly unconventional view is that poverty—of less developed countries rather than of poor minorities in advanced countries—is explained by what he calls "accommodation." People are poor because they accept their poverty. This explanation is open to the same charge of circularity that Galbraith brings against more orthodox theories. It is equally true that people accept their poverty because they are poor. As Galbraith admits, even if they did not accept their poverty, for most of them the only difference would be that they would change from being poor but happy to being poor and unhappy.

The author's two main proposals for combating poverty by preventing "accommodation" turn out to be education and migration. Education both makes the poor discontented and, sometimes, equips them to rise out of their poverty; Galbraith thus has to fall back on one of the standard insights rejected at the outset of his analysis. Migration, either from country to city, or from poor to rich countries, has reduced poverty in certain cases. This Galbraith holds to be a most important, and unjustly neglected conclusion. But it is doubtful how much weight should be put on it. Internal migration substitutes urban for rural poverty, while international migration drains poor countries of brains, it has been argued. The movement of capital into poor countries probably adds more to human welfare than the movement of labour out of them.

Galbraith has been looking at the economics of development upside-down. Economists from Adam Smith onwards have generally found it more illuminating to ask what causes the wealth of nations, not what causes their poverty. Poverty needs no explanation, save an account of why economic development has failed to "take off" in a number of hard cases. Chief among these are the densely populated countries of the Indian sub-Continent. Professor Galbraith's Indian experience has given him a slant on poverty which ill equips him to explain how it is that the majority of poor countries, however slowly and unequally, manage to become less poor.

CHRISTOPHER JOHNSON

The Victorian Railway Murders by Arthur and Mary Sellwood. David and Charles, £4.95, 160 pages

Open-plan rail carriages with safety alarms in easy reach have done as much to cleanse the British Way of Death as non-toxic gas in the kitchen. Victorian rail-travellers, shut in their claustrophobic compartments, never knew when they might meet their murderer.

Each violent incident provoked violent public outcry. The vulnerability of passengers became a matter for debate in Parliament and the Press, forcing the rail companies to introduce many safety measures we take for granted.

Railway murders also affected the course of justice. The execution of Thomas Muller in 1868 was the last to be held in public, and then only because unruly crowds made it no longer a good idea—a fine comment on Victorian attitudes.

JOHN DUNSTAN

Perverse and Foolish: A memoir of childhood and youth by L. B. Boston, Bodley Head, £4.50, 139 pages

Lucy Boston sought a Bohemian way of life. At school she earned the reputation of "convention-breaker": at Somerville, Oxford, where she survived the first two terms only, she despised the earnest, miss-ish atmosphere: at Cambridge she fared no better and was sacked from Addenbrooke's Hospital for conduct unbecoming in a "decent girl." Spurred on by this slight to her character she went to France to help the war effort in a military hospital; where her buoyant spirits were a tonic for the wounded soldiers.

KATE MORRISON

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 886341/2, 883897
Telephone: 01-248 8000

Saturday June 16 1979

The Lady and the Duke

A DRAMATIC week has been dominated, though from the background, by two figures, one very real and one mythical. The Budget, with its hold and possibly risky strategy of going straight for the main Conservative objectives, carries the clear imprint of our very determined Prime Minister. In the markets the effort to assess the risks involved has been complicated by new and somewhat rowdy manoeuvres of Mr. Denis Healey's long-serving financial general, the Grand Old Duke of York. Indeed, there is some fear that his manoeuvres could add to the risks of an already bold policy.

Mrs. Thatcher's determination seems to have inspired some of her supporters with a mixture of admiration and dismay. She has decided to use the momentum of her election victory to enact immediately some of the most supposedly offensive parts of her programme—notably the overdue reduction in the higher rates of income tax. At the same time the first stage of the shift from direct to indirect tax at least exalted levels has been financed by a rise in VAT which will add some 3½ per cent to consumer prices, and a squeeze on the finances of the nationalised industries which will add some more.

The straight political risk of a confrontation with the unions over policy is already beginning to look rather fanciful; in spite of some predictable rhetoric, the TUC is not in the business of upsetting newly elected governments fulfilling their declared pledges.

Next wage round

What is much harder to assess at this stage is the impact of the Budget on the next wage round. Although the addition to prices from higher VAT is once-for-all—a good reason for making the change in one step—it has never been easy in the past to persuade negotiators either to bargain in terms of take-home pay rather than gross pay, or to take into account the expected future rate of inflation rather than the current rate.

It is as true as it was last year, when Mr. Callaghan launched his ill-fated campaign for a 5 per cent norm, that moderate settlements would do more than anything to help start whatever kind of economic miracle is possible in a crisis-ridden and possibly depressed world economy. This government, however, is trying to achieve the change through monetary discipline rather than through speeches.

This policy inevitably puts employers in the front line. The equity market has acknowledged what could be a very uncomfortable prospect by sobering up sharply: it had fallen 10 per cent from its pre-election peak by Budget day, and has fallen another 4 per cent since—despite the recovery yesterday. The gilts market has also naturally fallen since the 2 per cent rise in Minimum Lending Rate—an expression of monetary determination which seems to have taken investors completely by surprise, but has been pretty steady since, and has taken the Government new demand for a further £1.8bn of funding remarkably calmly.

The prospect now for interest rates, for sterling, and for the capital account of the balance of payments are in fact as vital for the success of Mrs. Thatcher's general strategy as the prospect for wages. These questions are, if possible, even more difficult to assess.

Two factors

Monetary policy must take account of two factors: the reasons for the borrowing boom, and the Budget balance. The rise in bank lending to an annual rate of well over £8bn in recent months would be deeply alarming if it were a long-term trend, and the Chancellor felt it necessary to attribute it to understandable reasons; the question is whether the need for such rates will be more than very temporary.

If the demand for loans quickly relapses after the pre-Budget spending spree is exhausted, the pressure may soon be relaxed. This would be far more certain, however, if the Government's own demands for credit — £8.3bn, after raising £1bn through asset sales—were a little smaller. Only time will show whether Sir Geoffrey Howe has fallen into Mr. Healey's perennial error, and brought fiscal "ease", at an excessive cost in tight credit.

What is certain is that the present squeeze is costly in several ways. Industry must pay higher rates and these have also attracted foreign capital, driven sterling upwards, and tightened the competitive pressures still further. The new tap stocks tell the story: the short tap, yielding well below current money market rates, expresses the Government's hope that it will soon be possible to relax; the long, which will cost £128m a year to service at the tender price, shows the large sums still on offer to the Grand Old Duke and his troops to achieve monetary control.

If the resultant pressure on industry, on the trade balance, and on the taxpayer is to be reduced, it is much to be hoped that this is his final appearance.

THE STORY SO FAR . . .

It was three years ago that we last shared the secrets of Anne and Peter's family accounts. Since then they have moved house and Peter's career has had a temporary wobble. One thing has not changed, however. Our heroes still struggle close to the edge of financial disaster. The rate demand awaits an answer and the Chancellor's reliefs lie some weeks into the future. As the rain drenches Peter's vegetable patch outside, the couple sit indoors and work out the bills. Now read on . . .

The not quite so good life

ARTHUR SANDLES revisits Pete and Anne, and their battle with the cost of living

MUDDY footprints wound their way from the back-door, through the kitchen, to a small cupboard where the family stores its boots. Peter had made a brief excursion from the family accounts in order to climb a ladder and remove what seemed to be a soggy bird's nest from a gutter. That at least had ended the noise from a miniature waterfall that had been tumbling past their window while he and Anne worked. In spite of the soaking, Peter had been almost relieved to make the brief escape. The couple had set about their budgeting with relatively light heart: Peter had worked out that they would be three or four pounds a week better off under the Howe proposals and both had assumed that this would relieve them of recent growing pressures on the family cash supply.

Three years ago Anne and Peter lived in Sevenoaks, but since then various events have changed their lives. Work problems produced a job change for Peter so that the £10,000-plus that he now earns, although more than it was in 1976, is not as much as he might have hoped and that inflation alone might have given him. Two years ago Anne's father had suffered a severe stroke, placing such a burden on her mother that the family had decided it was best to move closer to them. Thus Anne, Peter and their two children had moved to Guildford. Their new house is still a four-bedroomed property of indeterminate between-the-wars age, but is somewhat cheaper to run. The move to Surrey, however, has pushed up season ticket rates enormously.

The enormous financial blow of the move was, of course, in the field of education. In Sevenoaks their son, Mark, had been a day-boy at Sevenoaks school, a heavy financial burden even then. To take him away from the school while in the sixth form would have been a disaster, but leaving him as a boarder—which is what has happened—has meant a doubling of basic fees to more than £2,000 a year.

Jane, Mark's somewhat younger sister, is at a local day school—a piece of male chauvinism which has caused strain in the past but which, even Anne will now admit with relief, does not seem to have done Jane any harm. In fact, if anything, her academic record is somewhat better than that of her privileged brother.

To some extent, Peter has been hoping that the recent record of wet weekends will remain unbroken today and tomorrow. Here and there in the garden there are holes which he feels ought to be filled with bedding plants. This year, however, £1.25 appears to be the going rate for a box of marigolds or alyssum, and the box looks a good deal smaller than it was a few years ago. This spring he economised in his annual planting of tomatoes by raising them from seed. Although he planted them out a little too early they have survived the high winds and low temperatures and are healthy, if a little squat. After a slow start his beans, again from seed, are showing remarkable vitality. His pride and joy remains, however, a fine bed of strawberries which appear to be soaking up the rain with great gusto.

Additional supply

The family may need this additional food supply over the coming weeks if the calculations are correct. In past months the notably unwelcome blow has been the length of the winter, which has burdened the family with a much bigger gas bill than expected. Anne shops with a degree of caution, usually at Waitrose, but this Spring has had to cut back on a normal yearly indulgence in English lamb, something of a family favourite.

Anne's £170 a month has to cover food and normal domestic purchases as well as small items of clothing. Anything in the clothing line costing more than a couple of pounds comes from central funds. Shoes have been a major item recently with Anne being appalled by the £15 or more she has to pay for them now that the children are more adult than infant. Her own clothing allowance and pocket money in theory is also part of the housekeeping, but the balance is erratic and she is not particularly well dressed. She usually goes on one major food shopping expedition a week, spending between £20 and £25. After that it is a question of topping up and some mid-week meat or fish purchases.

The couple entertain about once a month. Peter is expected to provide the wine from his resources and also give a little extra financial assistance if they decide on anything particularly special in the way of a menu. In two ways, at least, the Budget was not particularly worrying. Neither of them now smokes, although this was not always the case, and their consumption of hard liquor is sufficiently modest to be largely catered for by the odd bottle that comes Peter's way at Christmas.

Help from the in-laws

Peter simply could not afford such an increase, and so there was a family conference and the in-laws stepped in to help—but only on a temporary basis and only for the basic fees. Neither family is particularly well-heeled and Peter is well aware that the cash is coming from savings. Even the additional items that Peter has to provide over and above the basic fees are proving something of a problem, and travel adds to costs. The family is getting quite used to the run back and forth along the A25, a trip which Peter reckons be will be undertaking less and less as the price of petrol mounts.

THE FAMILY BUDGET

£ per month	Was (May '76)	Is	Expected
Housekeeping	110.00	170.00	195.00
Mortgage	76.30*	104.50	110.00
Rates	26.59*	16.91	18.38
Water Rates	3.98*	1.73	1.73
Education	94.00	42.00	50.00
Clothing	25.00	37.00	42.00
Car	45.00	65.00	70.00
Holidays	—	30.00	45.00
Heating/cooking	17.20	21.00	21.00
Electricity	10.00	10.00	10.00
Insurance	15.00	15.00	15.00
Telephone	7.50	12.50	12.50
Season ticket	28.50	53.50	53.50
Allowance	30.00	40.00	44.00
Misc. (House maintenance, garden, children's pocket money, entertainment)	30.00	45.00	47.00
Total expenditure	519.07	664.14	735.11
Income (monthly, net)	520.00	665.00	681.62
Balance	.93	.86	−54.11

* Not strictly comparable because of a move to a more manageable house.

It was a pleasant surprise to the couple when they moved to Guildford to find their rates bill fell sharply, but it is now climbing back up again. Guildford Borough rates last year were 72.44p in the pound and have risen to 78.65p, a sum which Peter has yet to include in his monthly figures since he has yet to pay the bill. To the basic borough figure must be added a small parish rate and, of course, the water rates. When Peter moved, he managed to convince his building society that his financial difficulties meant be simply had to increase his mortgage, which thus rose from £8,000 to £10,000. It is a modest enough sum, thanks to them being of the age which put them on the first rungs of the housing ladder in the early sixties, but it is still sufficient to provoke a wince when thoughts of an increase in interest rates occur.

Peter is hoping against hope that the present level of MLR will not survive for very long and that building society interest rates will not soar too rapidly, or too high. Nonetheless, he is making provision for a rise later this year.

Making provision is a strange way of putting it, since Peter is heading for a horrid shortfall in his domestic cash supply. The reason for this is that he had his last salary increase 10 months ago. Even with the tax changes he reckons to need more than 10 per cent just to stand still at present prices. Peter prefers not to think about that sort of thing. Discussions have been going on over the annual pay review within Peter's present City employer and, who knows, he might be in for a windfall.

Change cars

But Peter is going to need more than a windfall if he is going to change cars in anything like the near future. A couple of years ago he paid £1,900 for a Chevette which was then a year old. It is now coming up to its MOT time and Peter has a nasty suspicion that he ought to buy a couple of new tyres before submitting it to examination. There is no question of his dashing out today and trying to beat the Budget VAT increases by buying a new car. Indeed, there is not much risk of his dashing out even to buy new tyres.

Running even a Chevette these days is a pricey business when there is no company support whatsoever. Although the AA might reckon that the true costs in Peter's case are around 15.6p a mile and rising rapidly, Peter is making very little allowance for replacement. He has been extraordinarily fortunate so far in that since he bought the car he has never faced a major repair bill. By some standards the 6,300 miles they have driven in the past 12 months are modest, but Peter goes to work by train and Anne is not the most enthusiastic of drivers.

Subsidised canteen

The car might be expected to do more mileage than usual this year, since, at the moment, the couple plan to take the family on a Canvas Holiday trip to France. Under the scheme they get a multi-roomed, pre-erected tent and all necessary supplies in France for a basic £290 for two weeks. The money they are putting aside for even his modest venture is likely to prove insufficient and Peter is going to have to make further contributions. This is probably the last holiday they will have as a family: Mark is *already* a little unhappy about coming along.

Peter sets his own allowance at £44 a month, separating it from miscellaneous expenditure, even if this separation is only theoretical. Peter in fact meets demands as they arise and as he can. He tends to eat at lunch times in his company's subsidised canteen, or at business lunches where he is more often the guest, and he only goes out to a pub three or four times a month—the news that Guinness might top 51p a pint next week has not come as a pleasant surprise. At the moment Jane gets £2.50 a week in pocket money and is a determined saver of birthday and Christmas cash for the fashion items in which she is increasingly interested. Mark's pocket money tends to be given in larger sums less frequently and is adjusted to the family budget—good training for the trials and tribulations of the future, says Peter; bad management, says Mark.

A major item in the family petty cash is newspapers. Magazines are bought intermittently and on impulse. Peter's FT at 15p a day is bought by his company and he supplements it from time to time with a 10p Telegraph. Neither time nor rising prices have detached Anne from her Guardian, but at 15p a day it is proving a costly way of keeping her social conscience supplied with fuel for argument. They have a colour television, a small Sony bought with Christmas bonus cash.

In his previous job Peter was able to reduce the cost of his season ticket to some extent by borrowing the money required for an annual one from his company, interest free. For the moment this facility is not available in his present office and, in the absence of sufficient funds to make such a purchase himself he has been buying monthly tickets. He journeys each day from Guildford via Southern Region and the Drain to Bank. For the moment he is hoping the season ticket rate will hold firm until the winter at least. He is also hoping that his employer will change his mind about backing a 12-month ticket purchase. He goes to the station by car with a neighbour—with the neighbour's wife as chauffeuse.

Although his company might not be eager to lend him the cash for his season ticket, there are other ways in which they are helping. His pension scheme is non-contributory, a fact with which he comforts himself when others point out that he would seem to be under-insured. They also run a wine buying club, enabling Peter to live at a level he might otherwise not achieve. He managed to buy in a couple of cases of claret just in time for the Budget speech and at the rate Anne and Peter consume the stuff that should keep them going for a couple of months at least.

The other summer expense is tennis, a game keenly pursued by the whole family. This year, again, the rain has rather hampered them getting into the swing of things, and has also helped Anne put off the purchase of a new racket which at the end of last season she had come to regard as a necessity.

Getting out and about

All is not woe and depression in the house, however, and there is still a modest amount of getting out and about. Why, even tonight you might find them at the Withies Inn at Compton, which has the sort of cosy intimacy which reminds them of their younger, pre-children days. It also has the added advantage of not being very far from home, just in case Peter should have trouble again getting fuel for the Chevette.

But, as Anne says brightly, Surrey's fuel worries might be over. She reads from the Surrey Advertiser: "The worldwide hunt for liquid gold is bringing oil prospectors to Surrey amid fears that their work could change some villages in the county beyond all recognition. . ." The very thought that the boggy patch in the bottom corner of the garden that presently threatens to drown Peter's collection of roses might actually be hiding a crock of "liquid gold" cheered him up somewhat. He'll probably do some digging after all — even if it is still raining.

Letters to the Editor

Money

From the Vice-Chairman Greater London Young Conservatives

Sir,—The invigorating budget introduced by Sir Geoffrey Howe is to be welcomed by everyone concerned with the long-term future of our nation.

Rolling back the frontiers of the state, reducing the Government borrowing requirement, returning reward for responsibility and risk and replacing state decisions by individual choice now become realities.

One area however that still remains of concern is that of controlling inflation through limiting the money supply.

Although Sir Geoffrey aims to limit monetary expansion to between 7 per cent and 11 per cent, it is necessary now for further consideration of the definition of money and its supply. Unless the definition of money is correct, the monetary controls implemented will ultimately prove ineffective.

The whole UK banking and credit structure is based on the notes and coins in issue. Reference to M1 or M3 is therefore, in the final analysis, irrelevant to the question of increases in the money supply and inflation. M1 and M3 are indicators of the velocity of circulation, the circulation of interbank deposits and the creation of credit based on the increase in the note issue.

Sir Geoffrey should see through the double and treble counting of money as defined in M1 and M3 and reconsider M (notes and coins in issue) as the true definition of money.

Charles Smedley,
25 Bolton Gardens, SW5.

Employment

From Mr. R. Macy

Sir, — Professor Sandford (June 13) suggests that the Chancellor has increased VAT as an alternative to the National Insurance surcharge favoured by his predecessor. This assumption seems to have been made by every other commentator.

The NI contributions table my firm has to operate for 1979-80 is at precisely the same level as the "surcharged" contributions of Mr. Healey. Clearly there is no intention to amend them. Sir Geoffrey has in fact financed his budget with increases both to indirect taxes and to employers' insurance contributions.

The well-publicised gestures of assistance to small firms and expensive programmes of employment subsidy which both Governments have financed have been nullified by this hidden, but direct, tax on employment.

Roger Macy.
Black Jack's Mill, Harefield, Middlesex.

Charity

From Mr. J. Strauss

Sir,—The Budget encourages us to use our discretion as to how to spend our taxed income. For some people it will provide substantial tax savings. On the other hand the Government and local authorities will have to cut their allocations to many deserving causes.

I therefore suggest that those who benefit substantially from the reduction in taxation should support to a greater extent charities of their choice through endowments, charitable trusts or similar methods. Through force of circumstances these traditions have been greatly neglected in recent years. It is high time that private initiative is seen to play a more active role also in this field.

Julius Strauss.
31, Ronalf Road, NW2.

Petrol

From Mr. H. Posselt

Sir, — The international scramble for oil is not only aggravating the present shortage but playing directly into the hands of the Organisation of Petroleum Exporting Countries most of whose members are taking advantage of the situation and raising the prices for crude oil.

The United States of America, Japan and the five major Western European powers absorb about 70 per cent of all oil shipped by the producing countries. If the above seven major consuming countries would join hands and set up a joint purchasing and distribution organisation it would immediately put an end to these countries out-bidding one another and ensure an equitable sharing out of available supplies, possibly based on the last six months' importation of member states. Such an organisation might well be known as OPIC. "Organisation of Petroleum Importing Countries."

If OPIC were well supported and operated it could result in stabilising prices and might in due course even persuade OPEC to consult OPIC on future price structures.

Herbert J. Posselt.
P.O. Box 52378, Saxonwold 2132, South Africa.

Touring

From Mr. J. Souter

Sir,—I refer to the piece by James McDonald on June 9. Having just returned from a holiday in Cornwall, the information given by both Mr. Peter Chester and Mr. Francis Hoskins is, in my experience, misleading. The current situation is that petrol companies are providing 90 per cent or so of the amount supplied to garages at the same time last year. This allocation means that garages in holiday areas receive amounts based upon their previous "regulars" plus "holiday" traffic.

During my visit, at least 50 per cent of the garages were supplying "regulars" only. These garages were meeting 100 per cent of their regulars' demand (which may well be 110 per cent of last year's off-take). Depending, therefore, upon the ratio of "holiday/regular" traffic, the amount of petrol available to holiday motorists could well be only 70 per cent, or less, of requirements.

This shortfall gives rise to a genuine petrol shortage as far as the holiday motorist is concerned and I feel that you should make it clear to tourists that they may well have *to* curtail the use of their cars when on holiday in the West Country.

J. B. Souter,
Millstone II, 19, Hobsons Close, Roselands, Hoddesdon, Herts.

Mails

From the Director General, Office of Fair Trading

Sir,—I was interested to read the letter (June 13) from Mr. M. E. Corby, executive director of the Mail Users' Association, about my "lukewarm reception" to the launch of the Post Office's new codes of practice. I fully appreciate that the ordinary mail services are not intended for the transport of valuables but I *still think* that a limit of £12.50 for ex-gratia compensation is grudging because the market value of many items normally sent by ordinary mail, such as a book or a toy sent to someone for Christmas, may nowadays be more than that.

Mr. Corby overlooks one of my major concerns, namely, that the loss of correspondence, e.g. a job application, the return of a signed contract or a letter concerning travel arrangements, can have financial implications going well beyond the market value of the letter itself. Yet *even* if the registered post is used, the Post Office will provide no compensation for consequential loss, not even up to a limited amount.

My office was involved with the discussions leading up to the launch of the codes and they are certainly a major step forward. I felt, however, it would have been less than honest to express wholehearted enthusiasm for them in their present form. Mr. Corby believes the codes should be given a fair trial and assessed after 12 months. I have already said I intend to study the first year's workings of the mail and telecommunications codes. Their strengths and shortcomings should then be more apparent.

Gordon Borrie
Field House, Bream's Buildings, EC4.

Debate

From Mr. A. Xisto

Sir,—All government rests upon consent and it is clear that trade union participation in government policy-making has become a condition for the consent of the unions.

There is again talk of reform of the House of Lords and a changing role for the second chamber. The idea of all union leaders taking *seats* in this chamber along with existing members who have not departed for Europe would seem to have much to commend it. Certainly the democratically elected Government of the day would function under less duress if consultation with union leaders were to be carried on within Parliament rather than in lengthy confrontation with Cabinet Ministers or in TV interviews.

Peerages need not of course be bestowed upon union leaders in case this should be misinterpreted by union members. The cut and thrust of debate and the time limits involved in Parliamentary procedure would have a salutary effect on what are often needlessly lengthy and repetitive arguments. It even seems that certain trade unionists have cultivated ideal accents and styles of speech for their suggested roles.

Antonio Xisto.
Butts Hill, Chobham, Surrey.

Conveyancing

From Mr. A. Roper

Sir,—Why should Justinian (June 11) take the view that if the Royal Commission on Legal Services were to report that the solicitors' conveyancing monopoly should not only be preserved but strengthened this would be met with wide disbelief? Surely any discerning person would take the view that consumers should be properly protected where attention by fully qualified technical experts is necessary and that consumers should not be left to the mercy of unqualified cowboys?

There have been a number of recent surveys which indicate that the vast majority of solicitors' clients are satisfied both with their solicitors' conduct in conveyancing transactions and also with the level of charges. It will also no doubt be recalled that when the Royal Commission on Legal Services was first set up it was welcomed by the Law Society as the profession has nothing to hide.

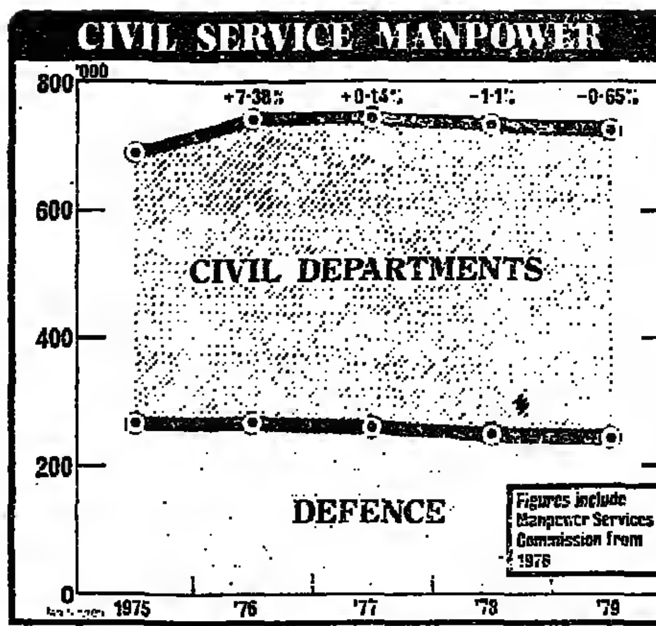
Generally it is only certain sections of the popular Press and the media which take an opposite view from time to time for purposes of sensationalism coupled with certain outspoken left wing Labour MPs who are blinded by their own Socialist dogma to such an extent that they are prepared to throw away the consumer protection afforded by the control over solicitors, their qualifications and their conduct exercised by the Law Society as a governing body in the public interest.

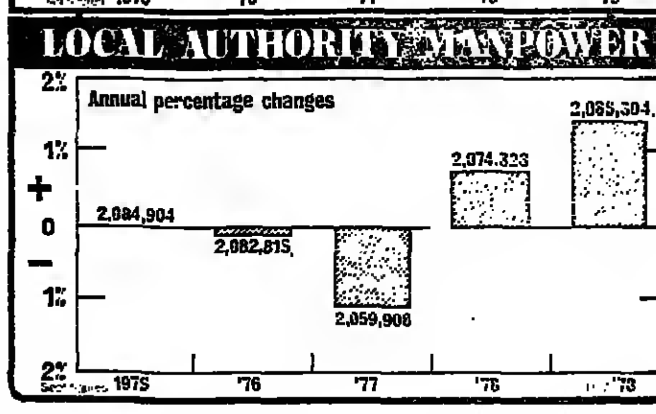
Alan D. Roper.
Court Chambers, 3, Victoria Street, St. Albans, Herts.

CIVIL SERVICE AND LOCAL GOVERNMENT MANPOWER CUTS

BY PAUL TAYLOR

Agonising decisions ahead





A SENIOR trade union official, confronted with the Government's plans for Civil Service manpower cuts, observed that their effect would probably depend on whether "the surgeon's scalpel or the butcher's knife" is used.

In certain areas the Government may ultimately have little choice but to wield the butcher's knife if its target for reductions in manpower is to be met.

Local authorities may face similarly agonising decisions if supplementary rate levies are to be avoided this autumn and town hall coffers are either empty or regarded as sacrosanct.

While the cost-cutting exercises which have begun in both central and local government are different in many respects, the choices facing the political masters in Whitehall and in the council offices are similar.

In both cases a high degree of "political will" is essential if public expenditure is to be cut—despite the inevitable deterioration in industrial relations, as well as the consequences for the services provided to the public, which will flow from the cuts.

In seeking a review of staff costs in individual departments, and by selecting a range of possible target savings of between 10 and 20 per cent—the Government has indicated that there is a degree of flexibility in deciding where and how the axe must fall.

Certainly this approach has won the support of senior civil servants who appear to be approaching the task with a degree of enthusiasm—in spite of the doubts of some other people about whether civil servants are best suited to the job of cutting their own departments down to size.

The operation of identifying areas of wastage and areas for possible savings will give civil servants the opportunity to voice concern about aspects of the complex system of government which have worried them for some time.

For example, one can assume that senior civil servants in the Department of Health and Social Security will again set out the case for simplifying the present system of supplementary benefits.

In addition, although civil servants are at pains to stress that the ultimate choice of which services and jobs must go will rest with their political masters, the exercise will enable them to "catch the ear" of new Ministers and, if their advice is followed, to establish a list of priorities for the level and quality of services provided to the public.

Adjusted

Nevertheless, although there will have to be decisions made on how far services provided by central government can be reduced, or ended altogether, in the final analysis the key to the success or failure of the exercise will be in cutting manpower.

The 1979/80 Civil Estimates included provision for £3.4bn to be spent on civil servants' wages and salaries—£200m more than the year before—but the starting figure for the proposed cuts must be adjusted to reflect the level of wage settlements, the cash limit provision, the cost effects of a current degree of "understaffing" below establishment figures and the recruitment freeze already introduced.

After allowing for these factors the base figure against which the cuts will be judged is probably around £3.64bn, of which some £340m is directly attributable to the civil service pay award.

Civil Service manpower—currently 566,000 non-industrial staff and 167,000 "industrials"—has fallen slightly during the past two years. But since 1974 there has been an overall increase of 5.6 per cent—38,792 staff. This moderate increase hides a more significant increase in the number of non-industrial civil servants which has grown by 10.7 per cent between 1974 and 1979—54,733 staff—while the number of industrial civil servants, almost 95 per cent of whom are employed by the Ministry of Defence, has declined by 8.7 per cent (15,941) over the same period.

Taking both industrial and non-industrial civil servants together the fastest-growing department over the past five years has been the Department of Employment. A 58.8 per cent increase in the department's staff partly reflects an increased workload, for example, caused by Britain's higher level of unemployment, and partly the transfer of staff from other departments to the Health and Safety Executive.

In the Departments of Health and Social Security, Inland Revenue and the Home Office the staff increases between 1974 and 1979 have all been more than 20 per cent. This is because of the impact of new legislation — including tax changes—and of greater work loads, for example, on supplementary benefits.

The fact that much of the increase in fast-growing departments is related to the greater workloads imposed primarily by government on the service will be a factor in the attempts of the present administration to trim the bureaucracy. The freeze on recruitment and promotion introduced by the Government last month and designed to achieve a 3 per cent cost saving this year will, it is claimed by senior civil servants, simply trim what "fat" exists.

The Service is currently 12,000 below establishment levels (1.6 per cent of the total workforce) and therefore a target saving of 22,000 jobs implied by the recruitment freeze should be achieved fairly easily given natural wastage rates of around 60,000 a year.

Although this rate of natural wastage is expected to slow down as a result of civil servants' salary increases it is unlikely that it will fall below about 8 per cent a year.

There is also, however, a desperate need actually to recruit more civil servants in certain key professional and technological areas. For instance, relatively poor pay rates have been blamed for a failure to attract sufficient accountants, vets, computer personnel and other specialists to the service.

Nevertheless over and above the 3 per cent saving target already set, any additional cost savings will only be achieved at the expense of services currently provided by civil servants. This fact has been recognised by Lord Soames, Lord President of the Council and the Minister in day-to-day charge of the Civil Service Department.

Three years

Staff cost reductions of around 20 per cent imply reductions of the order of 150,000 in the number of civil servants. The target would take at least three years to reach through natural wastage.

It is also clear that the burden of achieving such a target would fall unevenly on different departments. Although senior civil servants insist that the review will cover all departments, it is likely that some—the Inland Revenue, for example—would find it difficult to meet the targets while coping with new legislation.

The review exercise is therefore likely to produce a fairly radical re-appraisal of the functions which central government should and can undertake and of these which are better left to organisations in the private sector.

Local authorities must make similar decisions during the next six months although the range of options open to them appears to be slightly wider than that available to Whitehall. While there is a greater degree of autonomy in the relationship between central and local government than there is between the Government and the Civil Service, the provision of central government funds to local authorities through the rate support grant provides central government with some financial muscle.

Central government currently provides about 61 per cent of the £14.11bn "relevant" local government expenditure through grants. Relevant expenditure comprises total budgeted expenditure excluding items met almost entirely from central government funds such as mandatory student awards, rent rebates and allowances, housing subsidies and consumer advice centres together with loan charges and capital expenditure met from revenue.

The introduction of cash limit figures to allow for price and pay inflation in the year to which a particular grant settlement applies has introduced a further element of central government control over local authorities.

The Government has sought to exercise its financial control over the local authorities in two ways.

First, it has "requested" them to freeze manpower requirements and cut manpower where possible. Behind this "request" is the implicit threat that local authorities which fail to respond will face financial penalties in the next share-out of grants in November.

Secondly, the Government has told local authorities that it will cut £300m, and perhaps more, off the extra amount it was due to pay them to cover its share of wage settlements in the local government sector this year.

It is this measure, announced in the Budget, which is causing local authorities the most immediate concern. With some wage settlements in the local government sector still undecided and others subject to up-rating by the Clegg Comparability Board—due to report by August—the full effects of the Government's decision are still unclear.

Nevertheless Mr. A. G. Taylor, chairman of the Association of Metropolitan Authorities, has suggested that the extra cost as a result of pay and price inflation to local authorities this year could be as much as £1.46bn. After allowing for additional government grants and the funds set aside by council treasurers to meet wage settlements in the present round, local authorities may still have to find £540m.

Local authorities will then have three main options; to introduce a supplementary rate this autumn, to draw on balances or to cut spending.

Most of them will probably choose a combination of drawing from balances and cutting services—and therefore jobs—as the solution to their financial problems.

The total balances held by local authorities at the end of 1978/79 are thought to have been about £1.2bn, about 7.5 per cent of total estimated expenditure in the current financial year. But after providing for drawing on balances to meet estimated expenditure in 1979-1980 it is likely that local authorities will be left with about £680m. However, the distribution of these reserves is also uneven and it is thought that most of the balances are held by the district councils which, because they collect rates on behalf of the county authorities, argue that they need substantial balances to maintain cash flows.

It is therefore likely that a few local authorities which either find themselves with virtually nothing in hand, or who consider their reserves essential, will have to introduce supplementary rates this year.

It is estimated that up to 20 per cent of the local authorities in England and Wales began the current financial year with balances of less than 5 per cent of total budgeted current expenditure. However, it is unlikely that all these will need to levy additional rates. Many may choose instead to make drastic cuts in services.

The real problem will come when local authorities begin to prepare their budgets for 1980-1981 because by then the base level of expenditure will have been depressed, and it seems likely that the government will seek a further reduction in the proportion of grant to around 58 per cent of relevant expenditure. In this new tight financial atmosphere high rate increases can be expected in April, 1980 and cuts in both services and manpower seem inevitable.

The success or failure of the Government's policy of public expenditure cuts and getting better value for money in both central and local government will be judged by those who receive the services and foot the bill—the tax- and rate-payers.

Weekend Brief

The people Mr. Whitelaw must find to man the broadcasting Quangos . . . Vienna struggles with its summit visitors . . . Life in Managua.

Waiting on Mr. Whitelaw

Hints that Sir Michael Swann might be willing to stay on as chairman of the BBC will come as something of a relief to Mr. William Whitelaw, the Home Secretary for whom broadcasting is such a personal preoccupation. It is by no means, however, the end of Mr. Whitelaw's staffing difficulties, the bulk of which ought to be sorted out in a matter of days if some of the people concerned are to be let off their tenterhooks. Particularly worrying for Mr. Whitelaw is the fact that most of the Independent Broadcasting Authority's 11 members end their terms of office this summer and he must now find replacements or seek new people.

This particular dilemma is heightened by the fact that the IBA chairman, Lady Plowden, is approaching 70. In itself this is no legal obstacle to continuing in the job. However, the IBA itself has always been fierce in ensuring that the men in its franchise holding companies depart office at that age (witness Lord Grade) and for the Home Office to say that what is good for them is not good for the IBA might be embarrassing. Lady Plowden is not in fact due until the middle of next year, but by then the Authority will be in the midst of the new contract holders for the next few years of commercial television.

The selection of new contractors, or the more likely renewal of the contracts now held, is a reason for Mr. Whitelaw to ponder long and hard over personalities. The people chosen must know something about the television world, or be able to learn quickly, for the next year is to be a busy one, too busy, perhaps, for the £5,100 a year that this particular Quango job offers (the chairman gets a shade more than £10,000).

He could, of course, just extend the life of the present authority for as long as he wishes. But it is by no means certain that all of them would choose to stay on. Almost certainly Lord Blease will have to go, thanks to his new Government post as Northern Ireland spokesman in the Lords. Dr. T. F. Carbery, the Authority's member for Scotland, has served for nearly 10 years, but he is one of its liveliest, most knowledgeable and passionately interested members.

So all but two of the IBA team (the exceptions are Mr. M. G. Christopher and Mrs. Mary Warnock who both have contract dates lasting until December, 1981) will face this weekend not knowing whether or not they are to be involved in the new round of ITV contract-seeking.

Clearly anybody on the Plowden reserve list should stay near the phone this week-end. Mr. Whitelaw has to make up his mind, at least on the senior posts, before the next meeting of the Privy Council towards the end of the month. There is unlikely to be a rush of eager applicants.

Lady Plowden: Lord Lew had to go at 70, but will she stay on?

City of dreams—and nightmares

When President Jimmy Carter arrived in Vienna for the summit meeting with Mr. Leonid Brezhnev he joined a long list of great names ranging from Talleyrand and Castlereagh to John F. Kennedy and Nikita Khrushchev, who have conferred in this historic capital. But Vienna is not only a traditional meeting place of world leaders, diplomats and traders. It is also a time-honoured contact point for spies and agents from all over the world.

According to a recent public estimate by an Austrian official, some 5,000 full-time spies are operating in and from Vienna. Under Austrian law, only espionage against Austria itself is a crime. Spying activities of other countries against each other, even if on Austrian soil, do not concern the Austrian authorities.

The tradition of Vienna as an espionage centre goes back at least to the Congress of Vienna in 1814-15. Every morning Emperor Francis read specially prepared secret reports. Concierges and coachmen attached to the numerous diplomatic delegations, housemaids employed in the palaces and apartments of the leading delegates and bribed diplomatic couriers furnished the information.

The ten-year long, four-power occupation of Austria until 1955 gave a powerful encouragement to diplomacy using secret service methods. The haunting memory of the zither music from The Third Man and the figure of Harry Lime reflect an atmosphere which in some ways still lingers on. The official diplomatic lists contains 47 diplomats and "attaches" under the Soviet entry and the U.S. lists only two fewer. The Czechoslovaks have 27 diplomats here, almost as many as the combined embassy staff of the British and West Germans. And these are only the official figures for official personnel.

Major events such as the Kennedy-Khrushchev summit in 1961, the Ford-Sadat meeting in Salzburg in 1975, the first rounds of the SALT talks in 1970-72 followed by the Kissinger-Gromyko negotiations, in addition to the innumerable international conferences attract the attention of these observers. And they watch other groups for despite the kidnapping of the entire OPEC ministerial conference in December 1975 by terrorists, the Organisation still has its headquarters here, as does the International Atomic Energy Agency and the UN International Development Organisation.

Austria is also a traditional haven for refugees, harbouring at one point some 180,000 Hungarians after the crushing of the 1956 revolution and providing safe passage for tens of thousands of Czechs and Slovaks after the Soviet invasion in August 1968. Even now every year between 2,500 and 4,000 Romanians and Poles, Hungarians and Czechoslovaks are granted political asylum.

As a listening and contact point for the East, Vienna has an ideal geographic setting for it is only 30 miles from the Hungarian and Czechoslovak borders, and in the south, Austria borders on Yugoslavia, another favourite haunt of cloak and dagger specialists.

The managers and salesmen of the estimated 350 to 400 western subsidiaries and trading outlets in Vienna, who "live in the West but deal with the East" are of course natural targets for political and economic intelligence gathering. Occasional minor scandals involving alleged foreign correspondents, purporting to work for West or East European specialised publications and obscure press services, tend to confirm the impression that it is not only the American CIA which likes to provide journalistic cover for its operators.

The East-West force reduction talks, going on here since 1973 and involving delegates and staff from 19 nations from NATO and the Warsaw Pact would probably provide the most rewarding, albeit extremely complex and highly technical information, for intelligence operators. The series of highly publicised defections in Brussels and Bonn indicate however that the master spies are planted in the NATO headquarters and at the policy-making level, rather than among the negotiators here.

The Vienna summit is bound to produce tangible dividends for the Austrian tourist industry in the form of free world-wide publicity, especially in the U.S., though for the moment it will cost the Austrian taxpayer several hundred thousand pounds for providing press facilities and extra police protection.

The presence in Vienna of almost 2,000 journalists and hundreds of U.S. and Soviet officials and technicians will provide unique opportunities for intrigue, and espionage. But in view of the extremely tight security it is unlikely that as revealing a secret report as one found in the imperial archives about the comings and goings at the time of the Congress of Vienna could be supplied today by a CIA or KGB operator: "the King of Prussia," the report supplied to Baron Hager, president of the Austrian police, reads "this morning visited the Archduke Charles. In the evening he went out in civilian clothes with a round hat pulled down over his eyes; he had not returned at 10 pm."

Appointments with Somoza

Undoubtedly the most thriving business in civil war torn Nicaragua for the last week has been the Intercontinental Hotel in Managua, the capital, just a street away from a fortified compound known as "El Bunker" where the country's President, General Somoza lives and directs the National Guard, his private army, against guerrillas trying to overthrow his regime.

While the rest of commerce and industry in the country has ground to a halt with the war, the hotel is doing brisk business with international journalists covering the crisis. Not the least item has been the billing to most journalists' accounts of the use of white towels which have been carried into the areas under attack in the hope that they will offer protection. General Somoza is a major shareholder in the hotel for his family, which has ruled the country for the past 46 years, dominates most sectors of the economy.

The situation in the hotel with its proximity to and interplay with "El Bunker" is a cross between a Graham Greene novel and a surrealistic film by Luis Bunuel. Government ministers, members of rich families too afraid to stay in their homes, a couple of businessmen, 70 journalists and an assortment of mysterious individuals are couped up in the hotel which periodically ran out of beer and the menu had to be reduced to a buffet every lunch and dinner time. On top of this the hotel is the focal point in the evening for some guardsmen and Somoza cronies who come over the road to recount the day's events and drink in the bar.

Somoza himself came over just before I arrived to have a look at the foreign Press he so intensely hates but nevertheless is curious about. The man from the BBC later reported in one of his dispatches that "it is not often that I sit next to a dictator who has had too much to drink." Somoza was very amiable at first but then as the evening became longer he became increasingly angry, splattering his language with English expletives, unuseable, of course, on the radio.

Those who tried to record his off-the-cuff remarks, which revealed Somoza to be a man under considerable strain, had their cassettes seized by guards. Journalists later protested to Somoza's Press officer arguing that this went against the censorship, which the general claims, does not exist in Nicaragua. The BBC man had his cassette returned and later an apologetic letter with the promise of an interview. At the last minute it was cancelled, for Somoza decided to spend a day at his palatial country estate.

A Somoza news conference is an event not to be missed and as the hotel is so near to the bunker it is a hard job to miss them.

Contributors:
Arthur Sandles,
Paul Lendvai,
William Chislett.

Economic Diary

SUNDAY — Department of National Savings' monthly progress report (May).

MONDAY—Two-day meeting of EEC Agriculture Ministers opens, Luxembourg. Meetings of Finance and Energy Ministers of EEC, Luxembourg. President Carter addresses joint session of Congress in Washington on his *return from signing SALT agreement* in Vienna. Mr. James Prior, Employment Secretary, at Industrial Society Conference, Carlton House Terrace, SW1. Two-day Financial Times conference on World-Wide Investment in the U.S. opens at Pierre Hotel, New York. Labour Women's Conference, Spa Pavilion, Felixstowe.

TUESDAY—Balance of payments current account and overseas trade figures (May). Cyclical indicators for the UK economy (May). Sheikh Yamani of Saudi Arabia speaks at British Shippers Council conference, London Hilton. Cyprus Foreign Minister Nicos Rolandis talks with Lord Carrington, Foreign Secretary, Foreign Office, London. Mr. Gordon Richardson, Governor of the Bank of England, addresses Equipment Leasing Association annual dinner, Plaisterers' Hall, London. EEC Environment Ministers meet, Luxembourg. Iron and Steel Trades Confederation conference opens, Spa Pavilion, Bournemouth (until June 22).

WEDNESDAY — Confederation of British Industry monthly council meeting. Bank of England quarterly bulletin. Basic rates of wages and normal weekly hours (May). Monthly index of average earnings (April). Gross domestic product (1st qtr. provisional).

THURSDAY—Two-day meeting of European Council — EEC Heads of Government — opens in Strasbourg. Mr. Michael Pocock, Shell Transport and Trading chairman, at American Chamber of Commerce luncheon, Savoy Hotel, London. Car and commercial vehicle production (May—final). Bricks and cement production (May). Lord Hill opens International Television Festival, 195, Piccadilly, W1.

FRIDAY — One-day strike by senior civil servants (Institution of Professional Civil Servants). Mr. David Howell, Secretary for Energy, at Coal Industry Society luncheon on role of coal in current energy crisis, Hyde Park Hotel, London. Sales and orders in the engineering industries (March). New vehicle registrations (May).

Guinness leaps to £23m and lifts interim 15%

IMPROVED performances in almost all its activities lifted the taxable profits of Arthur Guinness Son and Company from £14.3m to £23.1m in the 24 weeks to March 17 1979. And there is a 15 per cent increase in the gross interim dividend.

The brewing side did particularly well raising its trading profit by £5.3m to £16.4m. The total trading surplus went ahead from £15.5m to £23.2m on turnover of £301.2m, against £263.8m.

But the Board says that special factors tended to concentrate earnings in the first half and it does not expect the second-half results to exceed those of last year when the group turned in £30bn. The taxable surplus for the whole of last year was up from £39.5m to £44.9m.

The directors stress that it is dangerous to judge the overall performance by the first half earnings. They point out that last year's figures for that period were below those of 1976-77 when the group made taxable profits of £17.1m.

This half's improved performance was spread over Britain, Ireland and overseas. In the UK the trading profit, including exports, rose from £5.8m to £8m, in the Republic of Ireland, including exports to UK and overseas, from £4.4m to £8.3m and overseas from £4.9m to £6.1m.

The taxable surplus was struck after increased interest charges of £4.3m (£3.1m) and associated profits up from £1.9m to £4.7m.

Tax, adjusted for SSAP 15, takes £7.5m compared with £4.9m leaving net profit increased from £9.4m to £15.6m. Stated earnings per 25p share are ahead from 9.1p to 15.9p. At the attributable level the surplus is up from £8.1m to £13.8m.

The net interim dividend is lifted from 2.8184p to 3.15p which is equivalent to a 15 per cent increase on the gross figure. Last year's total was 7.838p.

	1979 £m	1978 £m
Turnover	301.2	263.8
Trading profit	23.2	15.5
Brewing	16.4	11.1
General trading	3.1	2.5
Plastics and material handling	2.5	1.7
Leisure	1.0	0.7
Confectionery	0.2	†0.2
Management costs	0.8	0.7
Interest charges	4.3	3.1
Invest. income	0.3	0.4
Associated companies	4.7	1.9
Profit before tax	23.1	14.3
Tax	7.5	4.9
Profit after tax	15.6	9.4
Minorities	2.0	1.5
Extraordinary credit	0.2	0.2
Attributable	13.8	8.1
Dividend	2.6	2.3

† Loss.

See Lex

DIVIDENDS ANNOUNCED

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Milbury doubled to £1.2m

FURTHER PROGRESS in the second half led to more than doubled profits for Milbury, the house-building subsidiary of Saint Piran, in the year to March 31, 1979. The taxable surplus jumped from £601,593 to £1.21m on turnover ahead from £5.7m to £8.7m.

The net final dividend of 2.5p lifts the total from an equivalent 2.4p to 4.14p. Stated earnings per 25p share advanced from 12.4p to 21.2p.

At midway the group had more than doubled pre-tax profits from £267,036 to £557,871, helped by a significant increase in margins.

Tax takes £100,523, compared with £41,464. There is a £46,000 credit for an adjustment on the sale of a subsidiary, and goodwill written off amount to £132,694 (nil).

Cummins falls to £1.63m

Taxable profits of Cummins Engine Company tumbled from £5.14m to £1.63m in 1978 on turnover ahead from £87.3m to £99.7m. The diesel engine and component manufacturer suffered a midway profits decline from £4.8m to £1.4m.

Tax for the year is down from £2.45m to £539,000.

The company is a subsidiary of the U.S. group Cummins Engine Company Inc.

Arthur Lee runs into loss midway

THE HAULAGE dispute and industrial action within its own operations has seriously hit Arthur Lee and Sons in the half-year ended March 31, 1979.

In the early part of the period profits were in excess of the corresponding period. But the subsequent troubles have pushed the group into a loss of £220,000, against a profit of £670,000 in 1978 which included £250,000 release of provisions no longer required.

Earnings are down from 1.73p to 0.33p per 12½p share, but the interim dividend is held at 0.44p net. The final, say the directors, will be decided in the light of circumstances at the time. In 1977-78, the company paid a total dividend of 1.54p from profits of £1.89m.

Since March trading results have returned to a "more acceptable level" and compare favourably with those of the equivalent months last year. Demand for strip products is satisfactory and output of some wire products is also improving. Stockholding continues to produce good results.

Pilkington tops £90m despite UK setback

THE NATIONAL haulage strike cost Pilkington Brothers, glassmakers and processors, some £7m at the trading profit level. This loss contributed to a slowdown in taxable earnings growth from £13.8m in the first half to £4.8m in the second, leaving full year total to March 31, 1979, ahead from £71.7m to £90.3m.

Roger Taylor

Sir Alastair Pilkington, chairman of Pilkington Brothers, pictured in the St. Helens factory.

See Lex

Second-half improvement takes UKO to £3.4m in mixed year

NEARLY-HALVED profits from the catering equipment side hit UKO International in the year to March 31, 1979. But taxable profits were virtually unchanged at £3.36m, against £3.31m, on turnover ahead from £39.8m to £45.6m.

● **comment**

Jonas Woodhead hit by higher interest costs

A FALL of £429,000 in taxable earnings in the second half at Jonas Woodhead and Sons more than eliminated the growth seen at six months. Full time profit for the year to March 31, 1979, was down at £4.7m, against £4.95m.

AMENDED DIVIDENDS

CES wants £4m for expansion

SHAREHOLDERS of Combined English Stores are being asked to subscribe just over £4m to pay for further expansion.

The directors have decided to raise new permanent capital by a rights issue of ordinary shares at 52½p each, on the basis of one-for-five, after the recently approved one-for-one scrip.

Business carried on by existing members of the group has been developed and enlarged, and in the past 15 months UK acquisitions have cost about £5m, say the directors. This includes the 86 ladies' wear shops of Kendall and Sons, bought for £1.73m cash.

Acquisitions in the current year have been financed by seasonal surplus cash resources and short-term borrowings.

On current trading, the directors say the abnormal weather has had an adverse effect on trade, particularly on the group's menswear, in the first four months of the current year.

However, they remain confident of a "reasonably satisfactory result for the year as a whole."

For the year ending January 26, 1980, the directors propose to pay dividends totalling 3.15p net—an increase of 74 per cent after the scrip adjustment.

NV Brabant, a subsidiary of NV Amev, has undertaken to accept in full all the new shares provisionally allotted to it in respect of its holding of around 9 per cent. Mr. Murray Gordon, chairman of CES, has also undertaken to accept about two-thirds of the new shares provisionally allotted to him in respect of his 4 per cent stake.

The balance has been underwritten by S. G. Warburg. Brokers are Panmure Gordon.

● **comment**

At first glance CES is not an obvious rights issue candidate as the company has plenty of cash for its immediate needs. There are no large acquisitions in the pipeline so the group is clearly taking a long view of its cash requirements. One possible explanation is that the company is fearful about the upward movement in interest rates, especially as borrowings can fluctuate wildly in the retail trade. Another is that the company is merely stepping into the long rights issue pipeline to provide enough flexibility for some heavy spending when conditions are right. The new shares are being offered at a discount of 18 per cent, allowing for the scrip, while the ex-rights yield is 8.7 per cent at last night's closing price of 124p.

BIDS AND DEALS

KCA seeking support of Furness holders

KCA INTERNATIONAL has written to shareholders of Furness Withy seeking their support for the three resolutions proposed by KCA at the forthcoming AGM of FW.

KCA is beneficially interested in 12.13 per cent of FW and claims to hold the largest declared interest in the company.

Since 1973 KCA has been associated with FW through their participation in Kingsnorth Marine Drilling. This company has not been profitable and according to KCA's chairman, Mr. Paul Bristol, this is "attributable to the failure of FW, as manager of the business, to provide Kingsnorth with anything like the calibre of commercial management expertise required.

"As its largest shareholder, FW has sought to run the business in an autocratic manner and we have been strongly critical of a number of commercial decisions taken."

KCA hopes to win shareholder support for the appointment of Mr. Bristol to the FW Board and the initiation of merger talks between the respective companies' oil services interests. Mr. Bristol has already said that the combined oil services group should be capable of making around £9m in the current year, and yesterday indicated that, with some investment, profits could be boosted to £15m in 1980.

If KCA fails to win approval for its resolutions, Mr. Bristol said that "there is the possibility that we will put together a package to make a bid for Furness Withy." At current prices KCA has a market capitalisation of £9.3m as against FW's £77m.

European Ferries which has a near 5 per cent stake in FW, and has shown interest in bidding in the past, has a stock market capitalisation of £158m.

ACE MACHINERY

The offer by F. J. C. Lilley for the capital of A.C.E. Machinery has been accepted in respect of 96.5 per cent of the shares of A.C.E.

MIC SUSPENDED

Mining Investment Corporation has received an approach which may lead to an offer for the company.

The directors have therefore asked the Stock Exchange to suspend dealings in the shares under Rule 163(2)a.

BOOKER McCONNELL

Booker McConnell's mining equipment subsidiary, Fletcher Sutcliffe Wild, has paid £680,000 cash for 50 per cent of Aqua Hydraulics.

Aqua designs and manufactures high pressure pumps for the mining industry and for industrial water jet cleaning at sites in Sussex.

In the year to June last year Aqua earned pre-tax profits of £185,000 on sales of £2.2m. Net tangible assets at the date of acquisition are expected to be about £500,000. Booker McConnell is providing for expansion by subscribing £500,000 of new preference shares.

WESTINGHOUSE ACQUISITION

Westinghouse Brake and Signal, a subsidiary of Hawker Siddeley, has paid about Pta 200m (£1.46m) for a 49.5 per cent shareholding in Dimetronic SA, Madrid.

The Spanish company trades in train and passenger control systems for main line and mass transit railways. It operates mainly in Spain and South America.

BERKELEY HAMBRO SELLS OFFSHOOT

Berkeley Hambro Property has sold its wholly-owned Dutch subsidiary Interurban Development Corporation BV to an overseas group of companies. The net cash consideration amounts to £3.3m, compared with a balance sheet value of £2.8m at December 31, 1978.

The transaction will not materially affect the group's overall pre-tax profits but the sale will enable it to repay all its outstanding foreign currency borrowings.

IAS/CUNARD IN SUBSIDIARY DEAL

IAS Cargo Airlines and Cunard Steam-Ship have agreed to merge Transmeridian Air Cargo, a subsidiary of Cunard, with IAS.

So far the agreement is conditional. If it goes unconditional a Cunard subsidiary will receive ordinary shares in IAS, giving that company a 35 per cent interest in the fully diluted capital of IAS, the biggest UK all-cargo operator.

HOUSE OF FRASER

Shares in House of Fraser jumped 17p to 185p at one stage yesterday, finally ending the day 12p better at 180p.

Lonrho, the international trading group which holds a fraction under 30 per cent of Fraser, firmly denied that it was responsible.

Dealers, meanwhile, reported a couple of "fairly substantial" orders for Fraser shares possibly from overseas, and pointed to gains elsewhere in the stores sector.

HALLAM GROUP

Hallam Group of Nottingham has paid about £35,000 in cash for BV Tramonta, a member of the International Timber Corporation group.

BV Tramonta sells school buildings in the Netherlands which are manufactured by Hallam. It is intended to develop further sales of relocatable timber buildings in the Netherlands which will be supplied by Hallam.

Ferguson Industrial profit up at £2.2m: makes good start

SALES of Ferguson Industrial Holdings rose 37 per cent to £56.52m in the year ended February 28, 1979, and pre-tax profits were higher at £2.24m, compared with £1.62m in the previous year.

The directors say the results were obtained despite the bad winter and transport strike which affected sales in January and February. Since the beginning of March, trade has been brisk in most subsidiaries enabling some of the lost ground to be recovered.

Earnings per share are stated at 21.9p, against 15.2p, and, as expected, the final dividend is 3.6p to make a total of 6.6p compared with 6p.

The Board confirms its intention to increase the share capital and make a one-for-two scrip issue. The proposals were first made last November, but were deferred until after the acquisition of the Peerage Group so that there would be a definitive share register from which to work.

The proposals will now be put at the annual meeting on August 3.

An analysis of sales and trading profit—£2.95m (£1.91m)—shows building supplies contributed (in £000's) £32,666 and £908 respectively; building supplies in Ireland, £4,393 and £386; engineering supplies £6,315 and £535; engineering £4,235 and £187; printing £8,912 and £776 and profit of the holding company £135.

	1978-79 £000	1977-78 £000
Sales	56,521	41,102
Trading profit	2,947	1,910
Interest	530	422
Employees' profit sharing	174	105
Associates	—	235
Profit before tax	2,243	1,618
Tax	593	617
Net profit	1,650	1,001
Extraord. credit	278	—
Dividends	559	430
Profit retained	1,369	571

● **comment**

Unlike UBM and one or two of the larger builders' merchants based in the south of England, Ferguson has not suffered to any great extent from the bleak weather and the lorry drivers strike in January and February. The pre-tax figure at the end of nine months was £1.6m and for the full year (February 28 year end) it was £2.2m. Growth was boosted by a £376,000 first time contribution from Harkwell and Hindson, which contributed £154,000 in 1977-78, added £400,000. But profits from building supply activities in both the UK and Ireland powered ahead. The latter did slightly better than the former in percentage growth terms as there was less pressure on margins. Results are up further in the first quarter of the current year and this, plus a first time contribution from Peerage (acquired in February), suggests another good year in 1979-80. The shares edged up 4p to 126p giving a p/e of 5.6 on published earnings and a yield of 8 per cent.

Results due next week

With Tate and Lyle admitting that the recession has yet to bottom out, analysts are not looking for any recovery trend in the first-half figures due out next Wednesday.

RESULTS AND ACCOUNTS IN BRIEF

Gt. Portland revenue rise

GROSS rental income of Great Portland Estates increased from £7.07m to £8.73m in the year ended March 31, 1979, and pre-tax revenue improved to £5.68m, compared with £4.1m, after exceptional items of £339,615 against £904,869.

After tax of £2.6m (£1.76m) stated earnings per share are up from 5.4p to 7.1p and a final dividend of 4p lifts the total from the equivalent 2.93989p to 5p. A further one-for-two scrip issue is also proposed and the Board intends to maintain the current rate of dividend on increased capital.

Net revenue for the year from completed properties was higher at £3.14m against £2.35m and includes £81,000 (£11,000) being an amount equal to the outgoings attributable to properties in the course of development.

Not included is £1.7m (£1.02m) realised surplus on the sale of investment properties which has been transferred to capital reserve.

Following a valuation of the group's entire portfolio, a surplus of £107.54m has also been credited to capital reserve.

The total value of group properties at March 31 this year amounted to £197.66m and of this, £194.52m represents properties valued on an open market value basis.

The remaining £3.14m represents the book value of 55-61, St. Mary Axe, EC, 43-51, Worship Street, EC, and 107-113, Great Portland Street W. which were in the course of development or refurbishment at March 31, 1979. Messrs. Hillier Parker May and Rowden, the valuers, estimate that, when finished, these properties will have a total value of £11.8m, and it is the directors' opinion that a further sum in the region of £2.5m will be required to complete these buildings.

TIN PROFITS

Three tin producing units of the Malaysian Mining Corporation—Kampong Lanjut, Kramat and Kuala Lumpur—announce lower pre-tax profits for the year ending March 31.

Kampong Lanjut earned M$0.85m (£0.18m) against M$1.355m in 1978 and recommends a final dividend of 9 cents (2p) gross for a year's total of 14 cents gross. In 1977-78 a total of 32½ cents gross was paid.

Pre-tax profits of Kramat come out at M$1.27m (£0.28m) against M$3.04m and a final of 7½ cents (1.6p) a share gross is recommended, making a year's total of 27½ cents gross. In 1977-78 a total of 60 cents gross was paid.

Kuala Kampar earned pre-tax profits of M$1.47m (£0.32m) against M$2.77m in 1978 and recommends a final dividend of 30 cents (6.5p) gross for a year's total of 60 cents, compared with 80 cents gross paid in 1977-78.

Dorrington Invest. well up

PRE-TAX earnings of Dorrington Investment Co. improved from £527,000 to £789,000 in the year ended March 31, 1979, on turnover of £2.57m, against £2.69m.

Tax takes £444,000 (£346,000) including deferred tax of £385,000, against £296,000. Stated earnings per share are 5.66p (4.61p) and the final dividend is 1.79983p lifting the total from 3.0894p to 3.44983p.

The directors say an excellent start has been made to the current year and there will be a substantial net rental increase. They are confident earnings will exceed those now reported and increased dividends will be paid.

M & G launches new American unit trust

The M and G Group is launching a new American unit trust specialising in shares of companies which have fallen on hard times.

The launch, the first from the group in three years, means that it now has two American funds.

The new trust, M. and G. American Recovery Fund, will be run along similar lines to the group's existing Recovery Fund, which has been outstandingly successful in backing similar shares in the British market.

The units are priced initially at 50p and the minimum purchase is 2,000.

The investment manager, Mr. Paul Nix, projects the yield at about 2¼ per cent. But he warns that due to technical factors and to the high risks involved in many of the shares the yield will fluctuate widely.

INSURANCE BASE RATES

† Property Growth	11¼%
† Vanbrugh Guaranteed	10.87%

† Address shown under Insurance and Property Bond Table.

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.
45 Cornhill, London EC3V 3PB. Tel.: 01-623 6314.
Index Guide as at June 14, 1979

Capital Fixed Interest Portfolio	115.25
Income Fixed Interest Portfolio	105.00

COBAL INDEX: Close 473-478

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Bestobell rejected the intimated 200p per share offer from BTR on grounds of incompatability.

Merger talks between Mining Supplies and Dobson Park Industries ended, the negotiations foundering on the intended structure of the combined companies.

H. Brammer, the power transmission and rubber products group, dropped plans to pay about £4m for the UK power transmission Morse Chain division of Borg Warner.

Thorn Electrical Industries acquired 50.1 per cent of Locatel SA, the largest television rental group in France, and is bidding for the rest at a price which values Locatel at £26.3m.

Coats Patons and Gütermann of West Germany notified the cartel office in West Berlin of their intention to merge. Under West German cartel law, the purchase of more than 25 per cent of a West German company is subject to the approval of the cartel office. Twice before mergers between UK and German companies have been referred to the office on market monopolies grounds, and the more recent case of British Petroleum's deal to acquire a 25 per cent stake in Ruhrgas from Veba was approved by the Bonn economics minister over the cartel office's objections.

British and Commonwealth Shipping agreed terms with the independent shareholders of the unquoted company, Manifold Investment Holdings. First announced late in May, the bid values MIH at £3.2m, or 157½p per share. British and Commonwealth already held 49.3 per cent and also indirectly owns about 6½ per cent more through its 36 per cent holding in MIH's next largest shareholder.

John James Group, the Bristol-based industrial and investment company, announced that it is in talks with more than one possible suitor.

Loss-making furniture manufacturers Bargeet ended discussions that might have affected shareholders' interests.

Having received acceptances of only 10 per cent from holders of the outstanding 70 per cent of Jantar, Mr. Edward Nassar has lapsed his 10p per share bid for the company. The bid was triggered when Mr. Nassar's stake rose to just over 30 per cent.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
ACE Machinery	135	132	110††	2.07	F. J. C. Lilley	21/7
Allen (Edgar)	69¼*§	65	63	9.63	Aurora Hldgs.	—
John Bright¶¶	40½*	39	43	4.29	Largs	—
Collett Dickenson	118*§	114	85	2.95	Soilbourne	18/6
Farm Feed	95*§	92	94	1.08	Consortium	—
Hardy & Co. (Furnishers)	123§§	147††	114	8.04	Harris Queensway	—
Hardy & Co. (Furnishers) 'A'	113§§	110††	82	14.7	Harris Queensway	—
Jenks & Cattell	81†§	100	67	1.22	Armstrong Equipment	—
Knott Mill	67½	68	27	2.33	Ktchn. Queen	—
Morris Blakey	172§§	164	164††	2.63	A. G. Stanley	—
Morris Blakey 'A'	138§§	132	120††	1.48	A. G. Stanley	—
Sekong Rubber	£16½	£15	£10	2.44	Majedie Invs.	—
Sheepbridge Eng.	102½	93	86	38.3	GKN	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 15/6/79. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Allied Brews.	Mar.	123,500‡	(77,200)	17.3‡	(7.8)	6.22‡	(3.93)
Alpine Soft Drinks	Mar.	1,510	(1,540)	14.0	(14.7)	7.37	(6.61)
Ariel Industries	Mar.	813	(783)	6.5	(6.1)	2.35	(2.14)
A. B. Foods	Mar.	78,898	(77,629)	14.1	(13.5)	2.59	(2.32)
Assoc. Newsppers.	Mar.	21,330	(15,460)	27.7	(23.9)	6.48	(5.81)
Braby Leslie	Mar.	2,090	(2,390)	15.6	(19.8)	5.01	(4.42)
B & C Shipping	Dec.	28,589	(29,312)	26.2	(34.5)	10.59	(9.33)
British Benzol	Mar.	1,254	(782)	10.5	(6.8)	2.0	(0.61)
Brown Shipley	Mar.	1,850§	(1,690)§	—	(—)	10.61	(9.34)
Caffyns	Mar.	911	(1,050)	23.7	(29.6)	6.8	(6.4)
Chloride	Mar.	29,000	(25,100)	20.4	(17.6)	6.1	(5.2)
Continuous Story.	Mar.	246	(182)	4.7	(3.8)	2.78	(2.52)
Control Secs.	Mar.	141	(44)	2.2	(1.0)	0.95	(0.83)
Cntry. & Nw. Twn.	Jan.	461	(458)	—	(—)	0.85	(0.65)
Craig & Rose	Dec.	328	(252)	151.8	(116.9)	26.4	(23.97)
Crosby Spring	Mar.	1,010	(712)	4.6	(3.2)	0.79	(0.65)
Daily Mail & Gen.	Mar.	3,170	(2,890)	19.9	(17.9)	14.27	(12.91)
Dom Hldgs.	Mar.	1,310	(1,020)	8.9	(6.9)	5.19	(4.64)
Dundonian	Mar.	316	(195)	5.3	(3.5)	1.5	(1.42)
Edbro Hldgs.	Mar.	3,020	(3,660)	23.6	(32.5)	9.03	(6.31)
Elswick-Hopper	Jan.	903	(1,050)	3.1	(3.5)	1.0	(0.9)
GEI Intl.	Mar.	6,160	(5,550)	11.8	(10.6)	4.63	(4.15)
Hill Samuel	Mar.	7,729§	(6,852)§	12.0	(11.6)	5.32	(4.9)
Intnl. Timber	Mar.	8,050	(5,570)	21.5	(16.2)	8.09	(7.03)
Jhnsn. Matthey	Mar.	21,560	(18,870)	27.1	(23.7)	8.5	(5.49)
Leech (Wm.)	Feb.	2,340	(2,200)	12.2	(14.8)	6.64	(6.0)
Locker (Thos.)	Mar.	2,230	(2,370)	2.8	(2.9)	0.96	(0.87)
McLeod Russel	Mar.	4,250	(8,520)	11.3	(43.3)	13.5	(13.5)
Metal Box	Mar.	58,230	(55,780)	57.3	(61.6)	16.09	(14.99)
Ocean Wilsons	Jan.	3,180	(2,680)	13.3	(11.2)	3.5	(2.88)
Pauls & Whites	Mar.	7,641	(6,251)	10.4	(17.2)	4.93	(4.29)
Plysu	Mar.	1,230	(750)	21.1	(11.8)	1.89	(1.38)
Robertson Foods	Mar.	2,040	(2,730)	14.5	(22.8)	6.3	(5.72)
Rowlnsn. Constns.	Mar.	56	(967)	0.8	(15.4)	0.61	(0.61)
Sekers Intl.	Mar.	470	(316)	6.8	(4.1)	2.1	(1.5)
Staveley Inds.	Mar.	11,250	(10,010)§	62.6	(56.2)§	12.0	(13.5)¶
Valor	Mar.	2,140	(1,660)	17.4	(10.4)	2.49	(2.14)
J. W. Wassall	Mar.	78	(89)	2.0	(2.1)	0.68	(0.44)
Wedgwood	Mar.	8,547	(6,349)	19.6	(17.6)	4.18	(3.74)
W. Brom. Spring.	Dec.	350	(398)	2.6	(7.1)	1.09	(0.97)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Bertrams	Apr.	78	(175)L	—	(—)
Compair	Apr.	4,618	(5,717)	1.65	(1.65)
Crystalate	Mar.	398	(257)	—	(—)
Eng. China Clays	Mar.	10,425	(8,533)	2.12	(1.93)
Homfray	Mar.	290	(643)	Nil	(1.21)
Kitchen Taylor	Mar.	1,010	(581)	1.5	(—)
Saatchi & Saatchi	Mar.	1,130	(755)	2.02	(1.77)
Sidlaw Inds.	Mar.	96L	(183)	1.5	(1.5)
Westland Aircraft	Mar.	5,210	(—)†	1.0	(Nil)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † Interim results not previously disclosed. ‡ 17 months. § Net profit. ¶ Annualised. ? 15 months. L Loss.

Scrip Issues

Saatchi and Saatchi: One-for-two.
Valor: One-for-five.

Rights Issues

International Timber: One-for-four at 110p raising approximately £6.336m before expenses.
Control Securities: One-for-five at 30p.

Geers Gross jumps to £0.4m

ON TURNOVER which jumped from £8.72m to £23.3m, Geers Gross, the advertising agent and consultant, lifted taxable profits from £281,000 to £411,000. At midway the company had doubled the surplus — from £63,000 to £133,000.

The net final dividend of 1.5p raises the total from 2.525p to 3p per 10p share.

The Board says that the cost of creating the major new campaigns affected margins in 1978. But they add that in 1979 the company is reaping some of the benefits in terms of a 35 per cent turnover increase in the first four months.

For the year as a whole, the chairman expects profitability to again rise above the industry average.

The taxable surplus was struck after increased interest charges of £87,000, against £4,000. Tax takes £225,000, (£170,000).

ROCKWELL LISTING

Rockwell International Corporation has been granted a listing by the Stock Exchange in respect of 43,604,237 issued and reserved shares of Common Stock. Dealings will start on Monday.

The listing has been arranged by S. G. Warburg in conjunction with Kuhn Loeb Lehman Brothers International and Lazard Brothers. Brokers to the listing are Cazenove and Co.

Tomkinsons Carpets ahead in first half

Profits of Tomkinsons Carpets were up from £99,000 to £119,000 in the six months ended March 31, 1979 before tax of £63,000 against £51,000. For the year to September 30 last, pre-tax profits totalled £420,000.

First half turnover was 18 per cent higher at £6.5m, against £5.51m, but due to shipping problems and poor weather, the improvement was not as good as expected, the directors say.

The tufted division, Steeles Carpets, and to a lesser extent the yarn spinning company, again traded profitably. Losses in the Axminster division and increased financing charges to support the increased value of throughput have been partly supported by temporary employment subsidy.

During the half year there have been redundancies, the directors state. The Axminster division is no longer supported by the subsidy and given the continuing improved orders, including useful contract work for the U.S., the second half year is expected to show some improvement.

Property Partnerships

SECOND-HALF growth in taxable profit from £155,783 to £238,896 at Property Partnerships raised the surplus for the year March 31, 1979, from £313,887 to a record £397,396.

When reporting profit little changed at £158,500, against £158,084, the directors said comparisons had been made difficult because of the adjustment of capital structure and rearrangement of the company's mortgages in the second six months of 1977-78.

A 1.5p final dividend takes the total to 2.5p (1.757p).

After tax of £213,122 (£181,843) the net profit emerged at £184,274 (£132,024).

Expansion to £0.8m at Sound Diffusion

PRE-TAX profits of Sound Diffusion, electronic engineering concern, rose from £434,000 to a record £790,000 for 1978.

Operating profit was £1.2m against a previous £853,000 and included £571,000 this time from the sale of repurchased rental installations.

The directors state that figures for 1977 have been adjusted to reflect the effect of the 5 per cent surcharge on products and services provided by Sound Diffusion (Manufacturing) and Sound Diffusion (Service), charged for the first time in 1978.

If the 5 per cent surcharge had not been made the directors say the profit for 1978 would have increased by a further £153,000.

The net dividend for the year is raised from 1.216p per 5p share to 1.6p costing £105,000 compared with £51,000. Also proposed is a one-for-one scrip issue and an enlargement of the authorised share capital from £500,000 to £1m.

Tax for the year took £45,000 (£25,000) and there was an extraordinary credit for the period of £437,000 (£607,000), relating to the sale of the group's holding in 5 per cent Treasury Stock 1986/1989.

Results for the year increase shareholders' funds to a total of £4.07m (£2.98m).

MINING BRIEFS

GEEVOR TIN—May output 10,640 tonnes treated produced 96 tonnes Black Tin (65 per cent Sn) including 10 tonnes low grade concentrates (April 90 tonnes).

KINTA KELLAS TIN—May output 29.63 tonnes (April 20.96 tonnes).

Archaeological fund for London

THE CITY of London Archaeological Trust is launching a £750,000 appeal to support an emergency archaeological programme.

The trust estimates that remaining archaeological deposits in the city will be destroyed in 20 years if the present rate of development continues. The appeal, to be launched on June 20, will fund a four-year research study on medieval London, a major excavation and research excavation into Roman London.

Bread strike

A TWO-DAY strike by 800 bakery workers has hit bread supplies in Ulster. The dispute is over the terms of reference of a pay comparability study.

BANK RETURN

	Wednesday June 15 1979	Increase (+) or Decrease (—) for Week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14 553 000	—
Public Deposits	24 672,752	— 151,112
Special Deposits	740,680,000	+ 21,450,000
Bankers Deposits	359 720.991	— 51,003,448
Reserves & other Accounts	600,901,206	— 68,456,148
	1,740,733,948	— 78,160,708
ASSETS		
Government Securities	1,384,302,230	— 52,760,000
Advances & Other Accounts	182,877,507	+ 2,892,735
Premises Equipment & Other Secs.	168,967,040	— 49,716,972
Notes	24,364,794	+ 20,391,542
Coin	222,377	+ 32,159
	1,740,733,948	— 79,160,708
ISSUE DEPARTMENT		
Liabilities	£	£
Notes Issued	9,225,000,000	—
In Circulation	9,200,635,206	— 20,391,342
In Banking Department	24,364,794	+ 20,391,542
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	8,000,983,700	+ 16,617,102
Other Securities	1,213,001,200	— 16,617,102
	9,225,000,000	—

GUINNESS

Interim Statement

Group Profit for 24 weeks to 17th March, 1979

UNAUDITED

	Notes	1979 £m	1978 £m
TURNOVER		301.2	263.8
PROFITS			
TRADING PROFIT	1		
Brewing		16.4	11.1
General Trading		3.1	2.5
Plastics and Materials Handling		2.5	1.7
Leisure		1.0	0.7
Confectionery		0.2	—0.2
		23.2	15.8
Central Management costs		0.8	0.7
		22.4	15.1
Interest charges		4.3	3.1
		18.1	12.0
Investment income		0.3	0.4
Share of profits of associated companies		4.7	1.9
PROFIT BEFORE TAXATION		23.1	14.3
Taxation	2	7.5	4.9
PROFIT AFTER TAXATION		15.6	9.4
Minority interests		2.0	1.5
		13.6	7.9
Extraordinary items		0.2	0.2
PROFIT ATTRIBUTABLE TO STOCKHOLDERS		13.8	8.1
INTERIM DIVIDEND		2.8	2.3
EARNINGS PER 25p STOCK UNIT		15.8p	9.1p
INTERIM DIVIDEND PER 25p STOCK UNIT			
Payment to be made on 10th August, 1979		3.15p	2.6184p
Gross equivalent		4.50p	3.9081p

DEFERRED TAXATION

The accounting policy for deferred taxation has been changed by adopting the principles set out in the Statement of Standard Accounting Practice No. 15. The comparatives for 1978 have been restated accordingly.

NOTES

1. (a) Trading profit is after charging depreciation of £6.7m (£5.8m).

(b) The following table shows the trading profit of holding and subsidiary companies resident in each territory:—

	1979 £m	1979 %	1978 £m	1978 %
United Kingdom (including exports)	8.0	36	5.8	38
Republic of Ireland (including exports to U.K. and Overseas)	8.3	37	4.4	29
Overseas (see note 1 (c) below)	6.1	27	4.9	33
	22.4	100	15.1	100

(c) The 1979 trading profit of overseas subsidiary companies would have been £0.3m greater if it had been translated at the exchange rates used in the 1978 interim statement.

2. The following table analyses the taxation charge:—

	1979 £m	1978 £m
Holding and subsidiary companies		
Taxation arising in—		
United Kingdom	1.3	1.1
Republic of Ireland	1.5	1.0
Overseas	2.8	2.1
	5.6	4.2
Associated companies – share of taxation	1.9	0.7
	7.5	4.9

U.K. Corporation tax has been provided at the rate of 52% (52%).

The profits for the first half of the current financial year show a substantial increase over those earned in the first half of the preceding year. These excellent figures are the result of improved performance on the part of almost all our activities, and are well spread in Britain, Ireland and Overseas. However there were a number of special factors that tended to concentrate earnings into the first half of our financial year, and we expect that the results for the remainder of the current financial year are unlikely to exceed those of the second half of last year.

Stockholders will remember that the profits for the first half of last year were actually down on the comparable period of the 1976/77 year; this half year's result emphasises again that it can be dangerous to judge the Company's overall performance on the basis of a single half year's earnings.

The Board propose the payment of an interim dividend of 3.15p per stock unit – an increase of 15% at the gross level compared to the interim dividend paid last year.

IVEAGH
Chairman

ARTHUR GUINNESS SON AND COMPANY LIMITED

WORLD STOCK MARKETS

Wall St. mixed: Index up 0.96

INVESTMENT DOLLAR PREMIUM
$2.60 to £1 — 38½% (38¼%)
Effective $2.1065—12¼% (11½%)

A MIXED trend prevailed in moderately active trading on Wall Street yesterday, when investors were again troubled by confusing economic statistics.

After opening 2.23 lower at 840.09, the Dow Jones Industrial Average rallied to 843.30 for a net rise of 0.26 on the day and 5.15 on the week, while the NYSE All Common Index, at $57.85, shed 2 cents on the day but was still up 43 cents on the week. Gains led losses by 746 to 667, while the trading volume decreased 96m shares to 33.01m.

Analysts said a jump in the Basic Money stock and a rebound in May Industrial Production weakened the argument of investors who say the economy's slowing and interest rates are peaking.

The Basic Money stock surged a record $6.9bn in the latest reporting week and Industrial Production rose 1.3 per cent in May after a revised 1.4 per cent fall in April.

Despite the adverse Money Supply news, Citibank lowered its prime rate to 11½ per cent from 11¾ per cent matching cuts by four other major and about a dozen smaller banks.

A number of recently strong Oils were active and lost ground. Volume leader Amerada Hess eased $¼ to $45½, Tesoro Petroleum $1 to $17¾ and Mesa Petroleum $1½ to $53¾.

Charter slipped $2½ to $33¾ and the warrants $2¼ to $22¾ before trading was halted—it is pursuing plans to acquire Carey Energy's refining assets. American Financial moved up $3¾ to $27½—it is considering a bid for its stake in Charter Warrants and Convertible Preferred shares. The NYSE raised its initial Margin Requirement on Charter to 100 per cent from 50 per cent.

Centronics Data added another $1½ at $47½ on takeover rumours. C. F. Braun advanced $2¾ to $46¾—it has been approached about an acquisition but there are no current talks.

THE AMERICAN SE Market Value Index moved up 1.43 to a record 197.19, making a rise of 2.91 on the week.

CANADA—A further strong showing from the Oil sector pushed markets higher in active trading yesterday, when the Toronto Composite Index rose 12.5 to 1580.6.

The Oil and Gas index shot up 63.2 to 2810.6, Metals and Minerals put on 10.2 to 1317.4, Banks 0.85 to 294.13, Papers 0.99 to 165.27 and Utilities 0.47 to 235.44. But Golds lost 3.6 to 1818.2.

Husky Oil rose $4¼ to $50¼, Canadian Occidental $3¼ to $40, Gulf Canada $2¾ to $60¼ and Numac $3 to $40¾.

HONG KONG—Firmer in very thin trading, with Properties leading the rise.

JOHANNESBURG — Gold shares firmer following rise in Bullion price.

Mining Financials quietly harder. Coppers mixed in dull trade.

AUSTRALIA — Generally weaker.

Coals mixed. Thiess eased 7 cents to A$3.35, while Utah rose 5 cents to A$3.55 and Coal and Allied 10 cents to A$6.20.

BRUSSELS—Mostly lower in quiet trading.

Intercom firm on details of its rights issue.

In Foreign stocks, Germans, Canadians and U.S. lower, French higher, UK and Dutch mixed. Gold Mines higher.

PARIS—Narrowly mixed in quiet trading. French May unemployment rise had no effect on operations.

Banks, Investments, Properties and Chemicals mixed. Motors, Constructions, Mechanical Engineerings and Oils steady. Foods, Department Stores, Metals and Electricals eased.

SWITZERLAND — Higher in thin trading.

Bond Market's recovery this week confirmed with little National Bank intervention necessary.

Insurances improved, Banks steady.

Dollar stocks mixed. Dutch Internationals and Germans barely steady.

Amsterdam — Mixed with Internationals mostly lower.

TOKYO—Market rallied. Investors welcomed relaxed controls on Margin Trading Requirement. Volume 210m (170m) shares.

But Oils and other Energy Industry-related issues lower.

Pharmaceuticals and Machinery Makers firmed.

GERMANY—Mixed trend.

Banks firmer, Chemicals narrowly mixed.

Indices

NEW YORK — DOW JONES

	June 15	June 14	June 13	June 12	June 11	June 8	1979 High	1979 Low	Since Compil'n High	Since Compil'n Low
◆Industr'ls	843.30	842.54	842.11	845.29	837.56	835.15	918.72	807.00	1051.70	41.22
H'me B'nds	85.51	85.26	85.21	85.08	84.77	84.35	85.86	82.82		
Transport	240.66	241.65	241.72	241.87	238.29	235.46	241.87	205.78	279.88	12.32
Utilities	105.26	105.01	105.75	105.13	103.99	105.62	105.75	98.51	163.32	10.58
Trading vol 000's	33,010	37,570	40,680	45,590	28,290	31,540				

◆ Day's high 847.11 low 837.40

	June 8	June 1	May 25	Year ago (approx)
Ind. div. yield %	6.07	6.16	6.01	5.43

STANDARD AND POORS

	June 15	June 14	June 13	June 12	June 11	June 8	1979 High	1979 Low	Since Compil'n High	Since Compil'n Low
Industr'ls	113.54	113.51	113.61	114.39	113.41	112.87	115.69	107.08	134.64	3.52
Composite	102.09	102.25	102.51	103.05	101.91	101.42	103.42	96.13	125.85	4.40

	June 13	June 6	May 30	Year ago (approx)
Ind. div. yield %	5.24	5.28	5.38	4.90
Ind. P/E Ratio	7.98	7.92	8.38	9.44
Long Gov. Bond Yield	8.81	8.85	8.28	8.44

N.Y.S.E. ALL COMMON

June 15	June 14	June 13	June 12	1979 High	1979 Low
57.85	57.87	57.95	58.18	58.18 (10/4)	53.88 (27/2)

Rises and Falls

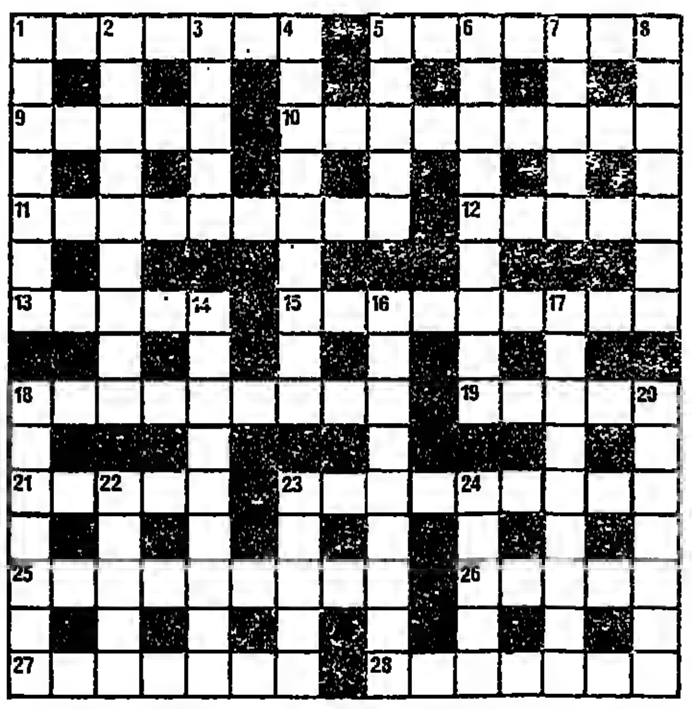
	June 15	June 14	June 13
Issues Traded	1,866	1,885	1,234
Rises	746	628	722
Falls	667	843	722
Unchanged	453	414	420
New Highs	—	50	72
New Lows	—	12	10

F.T. CROSSWORD PUZZLE No. 3,997

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



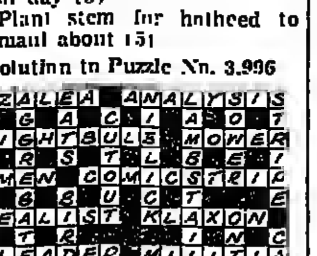
ACROSS

1 Strip for the doctor (7)
5 Eccentric intended we hear to have a scrap (7)
9 Cold-hearted heroine caught by ape (5)
10 When to be taking action in prison (5, 4)
11 Foundry product for pressing bed linen (3, 4)
12 Expression of impatience over gold given in teacher (5)
13 Dim leader may irritate. Get rid of him (5)
15 Just the sweet for a good blow-out (6, 3)
18 Cancellation of tunnel man repaired (9)
19 Raffle given the brush-off (5)
21 Painter took care of nonsense (5)
23 Workmen leading ship show touching affection (4, 5)
25 Go with Bill and Co (9)
26 American time practice (5)
27 When at sea left sunlight in picture (7)
28 Bump into a small lion tamer during fast period (7)

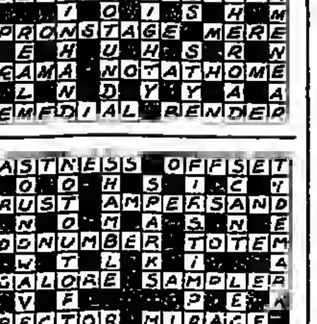
DOWN

1 Stupefied in be given imperial medal at second hand (7)
2 Address of prime ministerial significance (6, 3)
3 It stokes a change from Tosca of course (5)
4 In what form can lead turn be tolerable? (9)
5 Stars' alternative upset number one (5)
6 Understand it? A student is using a drug (9)
7 Order may be cited differently (5)
8 Those people skirt round mineral proposition (7)
14 Worker not wholly committed in getting interval right (4-5)
16 Boring part actor gives minor member of cast (3, 6)
17 Signal to go ahead and come down in the country (9)
18 Light for mind at stake (3, 4)
20 Entrance bird belonging to Post Office (7)
22 Competitor overturns engineers' vehicle (5)
23 Intoxicating buss before end of day (5)
24 Plant stem for hatched to mail about (5)

Solution to Puzzle No. 3,996



SOLUTION AND WINNERS OF PUZZLE No. 3,991



Following are winners of last Saturday's prize puzzle:

Mr. A. Brock-Gunn, 17 Glenville Gardens, Hindhead, Surrey GU26 6SX; Mr. R. Cornwell, 226 Stanley Park Road, Carshalton Beeches, Surrey; Mr. J. Drake, 27 North Crescent, Ardrossan, Ayrshire KA22 8NA.

RACING BY DOMINIC WIGAN

Pat Eddery for a four timer at Sandown

TIMEFORM Charity Day at York has again come around and as anticipated the programme, all the proceeds of which go to the National Society for Cancer Relief, is fascinating.

Only the opening event, a £2,500 selling race for which the claiming price for any horse other than the winner will start at £5,100, carries less than £4,000 in added prize money. Furthermore, the feature event, the William Hill Trophy carries £10,000 added prize money.

In what seems certain to be a closely fought race for the six furlongs William Hill Trophy I suspect that it may pay backers to take sides with Standaan.

Although he was left toiling by the two principals, Devon Ditty and Son of Shaka in the Gus Demmy Stakes at Haydock in the closing stages, Standaan showed fine speed for a long way in particularly holding ground which was all against him. This afternoon's six furlongs on a far more suitable surface seems sure to see him proving difficult to peel off the 8 st. 5 lb. mark.

For the safest bet of the afternoon at York I shall be turning to the bay Lyphard filly Danilova in the Vernons Fillies' Plate. This twice-raced three-year-old owned by Robert Sangster, is out of the Le Fabuleux mare, Tour Blanche. She showed plenty of speed for a long way in the Playboy Bookmakers' Pretty Polly Stakes won by Reprocolor on May 4. Danilova, who looked more backward than her opponents on that occasion, can prove herself another outstanding brood mare prospect for Mr. Sangster by outclassing Pinaka, trained by Michael Jarvis, a fair third in lesser company when beaten by Snow Chief and Crown Witness at Thirsk recently.

While Danilova's rider, Steve Cauthen and most of the other leading jockeys including Lester Piggott and Willie Carson are in action at York, Pat Eddery will be at Sandown trying to further strengthen an already tight grip on the jockey's championship. Eddery, who rode such a quietly confident and unhurried race on Scintillete last week, looks to have bright prospects of a four-timer on the Esher course through the Peter Walwyn trio, Dame Edna, Honey Grove, Praed Street and Bill Wightman's Quite Right.

My idea of the best bet from this quartet is the once-raced Dame Edna, a Sweet Revenge filly who was running on as well as any at the finish when taking fourth place behind Summer Madness in Goodwood's seven-furlong Sea Beach Stakes towards the end of last month.

Returning to Timeform Charity Day, there will be a sponsored football match between that organisation and Brough Scott's All Stars for the Timeform Charity Shield after racing. Brough Scott's team will be strengthened this year by the inclusion of two England Internationals, Mike Channon and Francis Lee. The match is expected to raise £1,000 for the National Society for Cancer Relief. A fund has been opened in connection with the Timeform Charity Day. Donations should be sent to Timeform Charity Day 1979, Timeform, Halifax, West Yorkshire HX1 1XE.

YORK
2.00—Pretty Pataca
2.30—Danilova**
3.05—Elusive Pimpernel
3.40—Standaan
4.10—Roehampton*
4.40—Hill's Forecast
5.10—Heywood Hardy

SANDOWN
2.15—Dame Edna***
3.25—Honey Grove
3.55—Praed Street
4.25—Quite Right

SPAIN ♥

June 15	Per cent	
Asland	104	—
Banco Bilbao	265	—
Banco Central	301	—
Banco Exterior	262	—
B. Granada (1,000)	134	—
Banco Hispano	259	—
Bco. I. Cat. (1,000)	143	—
Banco Madrid	201	—
B. Santander (250)	304	+3
Bco. Urquijo (1,000)	240	—
Banco Vizcaya	271	—
Banco Zaragozano	231	—
Dragados	150	−2
Espanola Zinc	88	—
Fecsa (1,000)	56	−0.5
Gal. Preciados	67.5	+1.75
Hidrola	63.75	−0.25
Iberduero	60.75	+0.75
Petroliber	82	—
Petroleos	132	—
Sogefisa	128	—
Telefonica	73.75	—
Union Elec.	60	—

BRAZIL

June 15	Price Cruz	+ or −	Cruz Div.	Yld %
Acesita	1.16		0.14	12.07
Bancodo Brazil	1.65	−0.02	0.11	6.59
Banco Itau PN	1.31		0.10	7.63
Belgo Mi'eira OP	1.76	−0.01	0.10	5.66
Lojas Amer O.P.	2.04	−0.01	0.20	8.76
Petrobras PP	1.81	−0.38	0.13	8.18
Pirelli OP	1.21	−0.01	0.08	6.56
Souza Cruz OP	2.07		0.08	3.86
Unip PE	4.50	−0.05	0.25	5.49
ValeRioDoce PP	1.60	−0.05	0.16	9.09

Turnover Cr.116.016m. Volume 75.207m
Source: Rio de Janeiro SE.

Dutch bank to merge four Swiss subsidiaries

By Charles Batchelor in Amsterdam

ALGEMENE BANK Nederland (ABN) plans to merge its four subsidiaries in Switzerland into one bank to be known as Algemene Bank Nederland (Schweiz). The new bank will have shareholders' equity of SwFr 64.9m ($37.5m). Its headquarters will be in Zurich with branches in Geneva and Chiasso.

The four banks involved are Algemene Bank Nederland in Der Schweiz of Zurich, Algemene Bank Nederland (Geneve), De Neuflize, Schlumberger, Mallet (Suisse) of Geneva and Neue Bank, Zurich.

ABN is the sole shareholder in the first two banks. It owns nearly 64 per cent of the Paris-based Neuflize holding company which in turn has a 90 per cent stake in the French bank. ABN has a 60 per cent stake in Neue Bank with the remaining shares held by Privatbanken of Copenhagen and Andresens Bank of Oslo. The minority shareholders will also participate in the new bank.

The Dutch bank is restructuring its banking operations in Europe. In April it announced it was studying the possibility of merging its two French subsidiaries—De Neuflize and Banque Jordan—into one bank.

● AMEV, the second largest Dutch insurance group, saw a 20 per cent rise in its net profit in the first quarter to Fl 20.8m ($10m) on a 10 per cent rise in turnover to Fl 740m ($354m) compared with the corresponding year-earlier period, AP-DJ reports from Amsterdam.

In the first three months of 1979, total sums insured rose to Fl 47.7bn from Fl 46.6bn.

French mining group in the red

BY TERRY DODSWORTH IN PARIS

CONSOLIDATED losses of the Imetal group, the French-based mining concern controlled by the Rothschild family, amounted to Fr 242m ($55m) last year after a profit of Fr 82m in 1977.

However, the company expects to move back to profits for 1979, helped by a performance from the parent company at least equal to the profits of Fr 36m returned for 1978.

Last year's sharp swing into the red was primarily due to what Imetal describes as "disastrous" losses of Fr 593m at Le Nickel, the New Caledonian nickel mining company which has suffered from poor market conditions, high stocks, and the decline in the value of the dollar.

Imetal has a 50 per cent stake in Le Nickel, which it owns jointly with Elf-Aquitaine, the nationalised French oil group, and some Fr 299m of the losses have been consolidated.

In addition, a further Fr 35m of losses have been consolidated from Penarroya, the lead, zinc and silver mining company in which it has a shareholding of almost 60 per cent.

The company says that the losses from these two affiliates could not be balanced by profits earned in the rest of the group, which includes Mokta (uranium, iron, manganese), Copperweld-USA (special tubes, bi-metallic wires), and Lead Industries (non-ferrous metals, metallic oxides, ceramics, paints).

The consolidated group comprises 62 companies, which achieved a turnover last year of Fr 6.6bn and had a total balance sheet of Fr 7.5bn.

At parent company level, profits, mainly from dividends received, amounted to Fr 36.1m, showing only a marginal change from the Fr 37.5m of 1977.

The board is proposing an unchanged dividend of Fr 3.80 a share.

A SHARP increase in capital and exploration spending is planned by Elf-Aquitaine, the French nationalised oil company.

Shareholders were told at yesterday's annual meeting that the group expected to step up investment to between Fr 12bn and Fr 14bn ($3.2bn). Outlays on this scale compare with Fr 6.9bn in 1978 and Fr 8.7bn a year earlier.

The company explained that about Fr 11bn to Fr 13bn investments in exploration and production "would be necessary" to achieve the group's objective of 25m tonnes of oil discoveries and around 25bn cubic metres of gas discoveries per year.

The investments are expected to be Fr 2.5bn to Fr 3bn for exploration, Fr 10bn for production, and Fr 1bn for refining and distribution.

Winterthur expects solid progress

By Our Financial Staff

LEADING Swiss insurance company Winterthur reports that business volume is progressing satisfactorily this year.

Speaking at a Press conference yesterday, chairman Mr. Hans Braunschweiler declined to give specific indications of the company's earnings for 1979 owing to the unpredictable nature of the insurance business. He added, however, that capital earnings were expected to rise by between 15 and 20 per cent.

For 1978, Winterthur reported that group net profits of SwFr 60.4m compared to SwFr 59.5m while gross premium income increased to SwFr 3.06bn from SwFr 2.88bn. Technical insurance results last year were higher due to "markedly better" results from the re-insurance business. This, together with higher capital earnings, led to a higher net profit despite slightly increased depreciation and tax.

Montedison confirms sale of Fingest

BY PAUL BETTS IN ROME

MONTEDISON, the Milan-based chemical conglomerate, confirmed last night the sale of its 65 per cent controlling shareholding in the Fingest financial group to the Bonomi family financial and investment company, Invest Spa, for some L112bn ($131m).

The transaction involves the sale of about 48.5m Montedison shares in Fingest for L2,300 a share, the chemical group said last night.

Fingest has a capital of L75bn made up of shares with a nominal value of L1,000 each. Its portfolio of shareholdings includes a number of active insurance companies and other financial interests including the Banca Subalpina di Torino.

Montedison has for some time been negotiating the sale of its majority holding in Fingest, generally regarded as one of the chemical group's best assets, to raise urgently needed liquidity. Indeed, Montedison, which has accumulated debts of more than L3,000bn, is considering selling other assets to raise fresh working capital.

Moreover, the Milan chemical group's recovery programme aims largely at focusing the conglomerate's activities on the chemical sector.

In turn, the acquisition of the Montedison's shareholding in Fingest by Invest Spa represents a further step in the expansion of the Milan Bonomi family group.

Montedison has informed the Milan Bourse Committee of the sale. The Bonomi companies include Beni Immobili Italia and Mira Lanza Spa, a detergents manufacturer.

Mitchell Plateau bauxite project boosted by CRA

BY JOHN ROGERS IN SYDNEY

CONZINC RIOTINTO of Australia is to try to breathe life into the big bauxite deposit project at Mitchell Plateau in Western Australia. In a diversifying move for the large mining house, it was revealed yesterday that it had taken a 10 per cent interest in the venture, with an option to take up a further 42.5 per cent if a 12 month mining feasibility study proves successful. No financial considerations were revealed.

Yesterday's move is the most positive step taken in recent years to set the problem-plagued Western Australian project off the ground after a series of consortia have shied away. CRA will now partner Alumax Bauxite Corporation and, smaller European and Japanese groups. It will take majority control — in line with all its joint venture operations — if it exercises its option.

The move is obviously aimed at the company sharing in the forecast jump in world demand for aluminium and its basic components—bauxite and aluminium in the 1980s. Alumax has already announced plans to build an A$500m (US$550m) aluminium smelter at Newcastle, in New South Wales, and Mitchell Plateau's refined product could be earmarked for this purpose.

Alumax's U.S. co-parent, Amax originally mapped out the Mitchell Plateau project back in 1970, but ran straight into world oversupply. Anaconda then expressed interest but pulled back. Amax's holding was itself transformed with the introduction of Japanese equity from Mitsui to form Alumax on a 50:50 basis.

The most recent consortium was made up of Alumax taking 70 per cent, with the other groups holding the remainder. As all partners are foreign-owned, CRA does not expect any difficulty in having the agreement passed by the Federal and state government review bodies. If anything, the planned "Australianisation" of CRA would be seen as introducing local equity into the project.

The original project envisaged a combined bauxite/alumina complex sited on Admiralty Gulf. Capacity was 600,000 tonnes of alumina, but was raised to 1.2m tonnes and then to 2.4m tonnes. From this point alumina could be shipped around Australia and to overseas smelters.

Swedish Match earnings rise in first four months

BY VICTOR KAYFETZ IN STOCKHOLM

SWEDISH MATCH reports an operating profit of SKr 63m ($14m) on sales of SKr 1.8bn ($409m) for the first four months of 1979, up from a profit of SKr 51m on a turnover of SKr 1.7bn for the same period of last year. The forest products, plastics, chemicals and machinery group is sticking to its April forecast of continued improvement during 1979 in operating results, which were SKr 194m last year.

After financial items, earnings for the first four months were SKr 44m, against SKr 27m during the comparable period of 1978. The group had extra-ordinary income of SKr 8m, leaving a pre-tax profit for January-April of SKr 52m, compared with SKr 4m for the full year 1978. No comparable figure exists for January-April 1978.

Swedish Match attributes the improved operating result to the restructuring measures it has implemented, together with better economic conditions, but adds that all restructuring measures have not yet shown their full effect.

The severe winter in northern and central Europe hurt the group's Katrinefors division by creating production and raw material problems for particle board and reducing demand for doors and windows. But kitchen fittings, furniture, fibreboard and distribution centres showed clearly improved earnings. Katrinefors' operating results rose by SKr 4m to SKr 10m and turnover was up by 6 per cent to SKr 655m.

Tarkett, which makes flooring and wall coverings, overcame cost increases to raise its operating results by SKr 3m to SKr 17m on turnover of SKr 199m, 24 per cent higher than in January-April 1978. The match division again brought in the biggest operating profit, an unchanged SKr 31m on sales of SKr 313m, up 3 per cent.

Cummins sees quarter decline

CLEVELAND — Cummins Engine expects second quarter earnings to be well below the first quarter's $22.5m despite sales close to the first quarter's record $450m, Mr. Henry Schacht, the chairman said.

Cummins earned $14.2m in second quarter of last year.

U.S. prices of Cummins Engines will be increased by 7.3 per cent on July 30 and parts prices by 3 per cent on July 2.

Reuter.

Texasgulf forecasts higher profit

TORONTO — Mr. Charles F. Fogarty the chairman of Texasgulf said the company's sales and earnings have improved for five straight quarters and the next three quarters "should be even better."

In remarks prepared for an analysts' meeting, Mr. Fogarty repeated predictions made at the annual meeting and in the first quarter report that earnings this year should be more than double those of last year.

Prices for all products increased during the first quarter.

Every 10 cents per pound increase in the price of copper increases pre-tax income by about four cents per share, and every 1 cent per pound increase in the price of zinc increases pre-tax income by about 12 cents per share.

The turnaround in the company's fortunes was due to several factors but primarily to good market demand for all products, higher prices and efficient, low-cost production.

Sulphur is in tight supply and will be tighter. Phosphate and potash demand is increasing and exports this year should continue at record levels.

Soda ash is in tight supply as a result of higher consumption and the 1978 shutdown of the Next-To-Last plant in the U.S.

Reuter

COMMODITIES/Review of the Week

Renewed frost fears boost coffee prices

RENEWED Brazilian frost fears coupled with a heavier-than-expected official damage estimate following last month's frost boosted coffee prices on the London futures market in the second half of the week. But values moved lower yesterday leaving the September position £125 higher on the week at £2,018.5 a tonne. Earlier the rise had lifted September coffee to £2,084.5 a tonne.

The initial advance ran out of steam as temperatures rose in Brazil's coffee growing states. The resulting fall in prices was also encouraged by reductions in trade estimates of the damage done by last month's frost to the 1980/81 crop to 5-6m bags (60 kg each).

On Thursday, however, the Brazilian Coffee Institute (IBC) said that a survey of affected areas indicated 1980/81 crop damage amounted to 7-8m bags. Damage to the current crop was indicated at 1.85m bags against trade estimates of about 1m bags.

Coupled with the announcement of a new frost warning covering coffee growing areas this prompted a sharp rise in prices.

Cocoa prices fell sharply chiefly reflecting reduced nervousness about the situation in Ghana. The September position ended the week £50 lower at £1,687.5 a tonne after rallying yesterday.

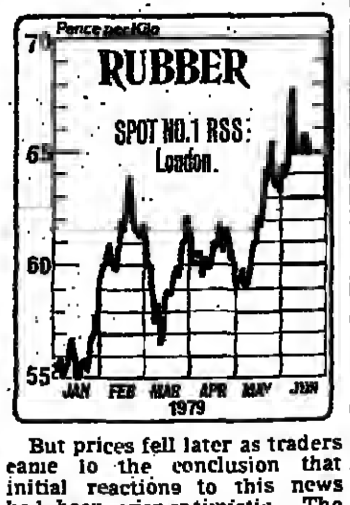
The junior officers' coup in Ghana has given rise to serious fears about the trading situation with that country. But a statement issued in mid-week that the new regime was not communist inclined or otherwise politically motivated went some way towards allaying fears that trade would suffer under the new Government.

Rubber prices also fell sharply reflecting an easing of the technical squeeze in the Malaysian market.

Having been lifted earlier by reports of Soviet, Chinese and U.S. buying, rubber prices received a further boost last week from a Conti commodity report forecasting another supply/demand deficit this year.

But the ensuing upsurge was mainly fuelled by speculative buying and when speculators sold off again this week the RSS No. 1 spot price fell by 2.75p to 65p a kilo.

Sugar prices moved higher early in the week encouraged by news that new U.S. Congressional talks were to be held from June 19 on ratification of the International Sugar Agreement.



But prices fell later as traders came to the conclusion that initial reactions to this news had been over-optimistic. The London daily sugar price ended £1 higher at £101 a tonne after rising to £103 during the week.

Cash lead rose to a new all-time high on the London Metal Exchange this week, as the shortage of supplies immediately available to market tightened again. After declining at the beginning of the week to £665 at one stage, cash lead closed last night at £701.5 a tonne, £14.5 up on the day and £11.5 higher than a week ago. The three months' quotation rose by only £3.25 to £639—still below the peak reached last week.

The market continues to be dominated by the shortage of supplies, and reports of further buying by the Soviet Union.

A squeeze on nearby supplies also was the main influence in the tin market. The cash price ended the week £60 higher at £7,495 a tonne greatly widening its premium over the three months quotation, which lost £102.5 to £7,072.5.

Copper prices failed to sustain a rally, triggered off by a further fall in warehouse stocks and some heavy consumer buying. Cash wirebars ended the week £2 lower at £898.5 a tonne after falling back by £14 yesterday.

WOOL FUTURES

SYDNEY GREASY—Close (in order buyer, seller, business, sales) Micron Contract: July 389.0, 390.0, 390.5, 389.0; Oct. 397.0, 397.3, 398.0, 397.0; Dec. 399.0, 400.0, 400.2, 399.0; March 404.6, 405.4, 407.0, 404.8; May 407.5, 408.0, 408.5, 407.5; July 412.0, 412.0, 412.5, 412.0; Oct. 414.0, 416.0, Dec. 417.0, 419.0. Sales: 187.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller). July 194.0, 196.0; Oct. 196.0, 199.0; Dec. 198.0, 200.0; March 198.0, 200.0; May 199.0, 200.0; July 199.0, 200.0; Oct. 200.0, 202.0; Dec. 202.0, 203.0. Sales: Nil.

LONDON GREASY—Close (in order buyer, seller). July 218.0, 228.0; Oct. 218.0, 233.0; Dec. 219.0, 238.0; March, May, July, Oct., Dec. 228.0, 238.0. Sales: Nil.

MARKET REPORTS

BASE METALS

COPPER—Lower on the London Metal Exchange. After opening at £926 forward metal fell away to £910 over the lunchtime period following heavy selling from one particular quarter which prompted general profit-taking. The market was also affected by a Commission House sell recommendation. In the afternoon the price lifted to £915 on a higher than expected Comex opening but dipped to close the Kerb at £908 following arbitrage selling. Turnover: 14,525 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	905-6	+10½	898-9	—14
3 months	915-.5	—11	909-.5	—14
Settl'm't	906	—10	—	......
Cathodes				
Cash	869-70	—13½	865-6	—12
3 months	894-.5	—12	888.5-9	—14½
Settl'm't	870	—12.5	—	......
U.S. Smt.	—	......	*81.60-9.25	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £906, three months £922, 23, 20, 19, 18, 17, 18, 18.5, 15, 18, 17, 18, 15, 14, 15, 16, 15. Cathodes, cash £871, 70, 69, three months £896, 95. Kerb: Wirebars, three months £912, 10, 11, 12, 11. Afternoon: Wirebars, three months £912, 11, 10, 09, 09.5, 09, 10, 10.5, 11, 10, 09.5. Cathodes cash £865, three months £887.5, 88, 89. Kerb: Wirebars, three months £913, 12, 11, 10, 08, 07, 06.

TIN—Lost ground. Forward metal opened at £7,150 owing to a rise in the Penang market but thereafter fell away, owing to stop-loss selling, to close the late Kerb at £7,050. The backwardation held around £410 despite forecasts of a rise in stocks. Turnover: 1,770 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7490-5	+55	7490-500	—35
3 months	7100-20	—38	7100-10	—70
Settlem't	7495	+55	—	......
Standard				
Cash	7490-5	+65	7490-500	—35
3 months	7025-30	—27.5	7070-5	—35
Settlem't	7495	+95	—	......
Straits. E.	$S1995	+10	—	......
New York	—	......	—	......

Morning: Standard, cash £7,510, 7,500, 7,490, three months £7,120, 7,100, 7,095, 90, 90. Kerb: Standard, three months £7,090, 85, 75, 70. Afternoon: Standard, cash £7,490, three months £7,060, 70, 80, 90, 75, 70, 75, 80. Kerb: Standard, three months £7,080, 70, 80, 85.

LEAD—Firmer. Forward metal moved ahead from £632 to the day's high of £640 following fresh speculative buying. However, at this level profit-taking pared the price to around £633.5 on the late Kerb. Turnover: 11,025 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	708-9	+21	700-3	+14.5
3 months	640-1	—3	638-40	+2.5
Sett'ment	709	+21	—	......
U.S. Spot	—	......	*54-8	......

Morning: Cash £700, 702, 04, 05, 08, three months £638, 37, 38, 39, 40, 43, 42, 40, 39, 40. Kerb: Three months £642, 41, 40, 39. Afternoon: Three months £640, 39. Kerb: Three months £639, 37, 33, 34, 33.

ZINC—Barely changed with forward metal easing from £376 on the early pre-market to close the late Kerb at £372.5 despite forecasts of a substantial decline in stocks. Turnover: 1,650 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	360-1	—2.5	359.5-60.5	—0.5
3 months	372-.5	—2½	372.5-3	......
S'ment	361	—3	—	......
Prim. west	—	......	*39.5	......

Morning: Three months £373, 72.5. Afternoon: Three months £373. Kerb: Three months £373.

NICKEL—Barely changed in dull and routine trading with forward metal finally £3,050 on the late Kerb. Turnover: 355 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	—	......	—	......
3 months	3055-60	—22.5	3045-55	+5

Morning: Three months £3,040, 50, 40, 60, 55, 60. Afternoon: Three months £3,050, 50, 40, 50.

ALUMINIUM—Lost ground in line with other metals with forward metal finally £775.5 on the late Kerb, after being £782 early on. Stocks are expected to show a modest fall over the past week. Turnover: 2,250 tonnes.

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	778-80	—5.5	776-9	—2.5
3 months	775-6	—7	776-7	—2

Morning: Three months £781, 80, 78, 77, 76, 75, 74, 75. Afternoon: Three months £772, 73, 74, 75, 76. Kerb: Three months £776.

* Cents per pound. $ SM per picul. † On previous unofficial close.

SILVER

Silver was fixed 2.55p an ounce higher for spot delivery in the London bullion market yesterday at 403.4p. U.S. cent equivalents of the fixing levels were: spot 848.0c, up 6.0c; three-month 868.0c, up 6.0c; six-month 883.2c, up 6.7c; and 12-month 913.8c, up 5.5c. The metal opened at 402½-403½p (844-846c) and closed at 402½-403½p (848-850c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	403.4p	+2.55	403.30p	—1.75
3 months	415.05p	+2.46	414.85p	—1.45
6 months	425.35p	+2.45	—	......
12 months	445p	+2.40	—	......

LME—Turnover 128 (189) lots of 10,000 ozs. Morning: Three months 415.5, 7, 5.8, 6, 6.1, 6, 5.8, 5.5, 5.6, 5.5, 5, 3.2, 5.4. Afternoon: Three months 413.2, 3, 2.8, 3, 4, 4.4, 4.3, 4.4, 4.5, 4.6, 4.7. Kerbs: Three months 414.5, 4.8.

COCOA

Cocoa futures remained steady throughout the day with earlier gains being pared in late dealings for prices to close overall £20 higher than last night's levels reports Gill and Duffus. Sales: 2,932 (4,128) lots of 10 tonnes.

COCOA	Yesterday's Close	+ or —	Business Done
July	1660-1661	—11	1679-1650
Sept	1687-1688	—25.5	1705-1679
Dec	1746-1646	—29.5	1665-1640
March	1760-1662	—20.0	1680-1658
May	1772-1675	—20.5	1695-1676
July	1784-1686	—35.0	1685-1684
Sept	1801-1803	—23.0	1606-1602

International Cocoa Organisation (U.S. cents per pound): Daily price June 14: 153.49 (156.42). Indicator prices for June 15: 15-day average 157.74 (157.96); 22-day average 156.27 (156.64).

COFFEE

Robustas opened sharply lower after rumours of an expected frost were dispersed and heavy long liquidation became evident but was well absorbed early on, reports Drexel Burnham and Lambert. The afternoon was a series of erratic fluctuations during a nervous period and pre-weekend profit-taking and book-squaring eventually took prices lower to finish £41-72.5 down on the day.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
July	2031-35	—51.0	2070-2021
September	2017-20	—56.0	2050-2005
November	2011-19	—72.5	2050-2000
January	2015-25	—56.5	2050-2015
March	2005-05	—55.5	2032-2000
May	2000-04	—04.0	2025-2004
July	1990-2015	—41.0	2010

Sales: 10,127 (17,989) lots of 5 tonnes.

ICO Indicator prices for June 14 (U.S. cents per pound): Other Mild Arabicas 201.17 (189.35); Robustas ICA 1976 189.00 (170.00); ICA 1968 200.34 (179.5). Colombian Mild Arabicas 205.00 (196.00). Unwashed Arabicas 203.00 (190.00). Comp. daily ICA 1968 201.86 (189.06).

GRAINS

Mnth	WHEAT Yesterday's close	+ or —	BARLEY Yesterday's close	+ or —
Sept.	95.65	+0.8	88.05	—0.85
Nov.	97.30	+1.0	92.00	+0.95
Jan.	101.25	+0.95	96.10	+0.9
Mar.	104.70	+1.0	99.40	—1.05
May	108.15	+1.10	102.90	—1.05

IMPORTED—Wheat: U.S. Dark Northern Spring No. 2 14 per cent June 100.75, July 101, Aug. 101.50 transhipment East Coast. Maize: U.S./French June 110.50, July 111 transhipment East Coast. S. African Yellow Aug. 82.00 nom. Barley: English feed fob Oct.-Dec. 92.50 East Coast. Sorghum: U.S./Argentine/French June-July 104 nom. transhipment West Coast.

The UK monetary coefficient for the week beginning Monday, June 18, will remain unchanged.

RUBBER

EASIER opening on the London physical market. Little interest throughout the day, closing on a quiet note. Lewis and Peat reported a Malaysian godown price of 305 (same) cents a kilo (buyer, June).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
July	65.00-65.20	65.55-65.70	66.00-65.10
Aug	65.75-66.90	67.25-67.70	
Jy-Sept	66.80-67.05	67.40-67.60	67.25-66.60
Oct-Dec	69.15-69.20	69.65-69.75	69.80-68.70
Jan-Mar	71.25-71.35	71.90-71.95	72.15-70.00
Apr-Jne	73.35-73.40	73.95-74.10	75.50-72.85
Jy-Sept	75.50-75.55	76.15-76.30	76.50
Oct-Dec	77.55-77.70	78.20-78.30	77.55-77.10
Jan-Mar	79.70-79.75	80.40-80.60	79.75-79.40

Sales: 481 (609) at 15 tonnes.

Physical closing prices (buyer) were: Spot 65p (65.75); July 69p (70.0); August 69p (70.0).

SOYABEAN MEAL

London market opened with small losses and drifted lower on book squaring, reported T. G. Roddick's. Late in session fresh trade buying steadied prices.

	Yesterday Close	+ or —	Business Done
	£ per tonne		
June	126.00-31.0	—5.5	—
August	132.20-32.5	—0.4	133.00-131.00
October	134.50-35.0	—0.5	135.00-134.00
December	137.00-37.1	—0.85	137.50-136.00
February	137.50-38.5	—0.85	—
April	136.50-40.0	—1.25	138.50
June	136.00-41.0	—2.0	—

Sales: 70 (177) lots of 100 tonnes.

COTTON

LIVERPOOL COTTON—Spot and shipment sales amounted to 306 tonnes, bringing the total for the week to 519 tonnes, against 107 tonnes in the previous week. Some revival in demand took place with additional support in various American type qualities. Users, however, remained cautious on the whole.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1979 High	1979 Low
METALS					
Aluminium	£710/50	—	£680	£730	£710
Free Markets c.i.f.	$1,600/620	—30.0	$1020/30	$1,640	$1,210
Antimony (99.6%)	£1,926	—	£1,925	£1,975	£1,925
Free Market 99.5%	$5,220/250	—50.0	$9,575/450	$3,300	$2,712.5
Copper Cash Wire Bars	£898.5	—2.0	£712.25	£1,062.5	£769
3 months Do. Do.	£909.25	—2.25	£733.25	£1,073.75	£783.73
Cash Cathodes	£865.5	—8.0	£707.5	£1,054	£755
3 months Do	£888.75	—4.75	£728.25	£1,068	£771.25
Gold per oz	$280.125	+0.50	$184.875	$282.125	$216.625
Lead cash §	£701.5	+11.5	£306	£701.5	£456.75
3 months §	£639.00	+3.25	£315.75	£642.5	£420.75
Nickel	£3,225.4	—53.64	£2,565	£3,235.4	2,320.69
Free Market c.i.f. lb.	$280/318c	—20.0	$187/86	340c	166c
Platinum per oz.	£171	—	£133	£171.0	£152
Free Market per oz.	£203	—4.0	£136.55	£218.65	£169.5
Quicksilver (76lbs.)	$345/55	+10.0	$180.25	$355	$160
Silver per oz.	403.4p	—7.3	291.55p	426.5p	269.4p
3 months per oz	415.05p	—6.55	899.15p	437.9p	303.7p
Tin cash	£7,495	+60.0	£6,765	£7,580	£6,715
3 months	£7,072.5	—102.5	£6,672	£7,317.5	£6,662
Tungsten Ind.	$137.52			$145.56	$127.94
Wolfram (22.04 lb)	$145/50	+1.5	$129.34	$147.5	$120.5
Zinc cash	£360	—10.6	£312.75	£408.5	£340.5
3 months	£372.75	—8.0	£328.75	£423.5	350.5
Producers	$846	—	$550/600	$845	$720
GRAINS					
Barley					
Home Futures	£99.00	+1.9	£81.45	£96.10	£85.8
Maize					
French No. 3 Yellow (Amer.)	£110.50	+0.75	£104	£113	£107.25
WHEAT					
No. 1 Red Spring		—	£94.5	£97.25	£97
Am. Hard Winter				£91	£83.5
Eng. Milling (new crop)	£107.5	—	£105	£107.5	£43.5
SPICES					
Cloves (g)	$3,850	—100.0	£4,500	$3,975	$3,850
Pepper, white	$2,650	—	$3,050	$8,850	$2,600
" black	$1,700	—	$1,975	$1,850	$1,660
OILS					
Coconut (Philippines)	$1,070	+15.0	$855	$1,160	$925
Groundnut 5%		—	£755		
Linseed, Crude	£389	+3.0	£380	£441	£386
Palm Malayan	$665.0	+10.5	$580	$720	$610
SEEDS					
Copra (Philippines)	$710	—2.55	$450	$745	$620
Soyabeans (U.S.)	$324.45	+5.85	$278	$324.45	$283.25
OTHER COMMODITIES					
Cocoa Shipment	£1,765	—45.0	£1,775	£2,041	£1,589
F'ts 2nd pan	£1,687.5	—50.0	£1,661.75	£1,990.5	£1,532.5
Coffee Futures Sept.	£2,018.5	+125.0	£1,667.5	£2,084.5	£1,298.5
Cotton Index	76.5c	—1.2	72.6c	78.65c.	72.5c.
Des. Coconut	£740	—	£645	£740	£700
Jute LJ ABW C grade		—	$485	$526	$476
Rubber kilo	65p	—2.75	58p	67.750p	55p
Sago Pearl	£188	—	£185	£188	£178
Sisal No. 3 L	$700*	—	$550/40	$700	$515
Sugar (Raw)	£101	+1.0	£97	£109	£93
Tapioca No. 1	£201	+11.0	£172	£201	£157
Tea (quality) kilo	134p	—2p	136p	158p	123p
" (plain) kilo	73p	—3p	80p	82p	75p
Wooltops 64s Warp	278p kilo	—1.0	285p kilo	291p kilo	269p kilo

* Nominal. ‡ Unquoted. (g) Madagascar.

AMERICAN MARKETS

NEW YORK, June 15.

Cocoa—July 147.95 (147.20), Sept. 151.90 (150.85), Dec. 156.15, March 158.00, May 159.20, July 160.30, Sept. nil.

Coffee—"C" Contract: July 196.74 (203.13); Sept. 198.17 (197.15); Dec. 196.15, March 193.25, May 193.63; July 193.50; Sept. 190.00.

Copper—June 83.40 (84.50), July 83.50 (84.70), Aug. 83.75, Sept. 84.00, Dec. 84.90, Jan. 84.95, March 85.10, May 85.15, July 85.20, Sept. 85.25, Dec. 85.30, Jan. 85.35, March 85.40.

Cotton—No. 2: July 68.65 (68.11); March 65.90 (66.25); Oct. 66.50, Dec. 65.56; July 67.50; Oct. 66.90; May 66.50, Dec. 65.00.

*Gold—June 279.80 (277.70), July 280.90 (279.10), Aug. 283.10, Oct. 287.70, Dec. 292.30, Feb. 295.70, April 301.10, June 305.50, Aug. 309.90, Oct. 314.30, Dec. 318.70, Feb. 323.10, April 327.50.

*Platinum—June 431.00 (423.00), July 430.00 (421.70), Aug. —, Oct. 430.10, Jan. 431.00, April 434.30, July 436.50, Oct. 439.50, Jan. 442.20.

Potatoes (round whites)—Nov. 162.5 (62.6), March 72.0 (69.7), April 80, May 91.7.

¶Silver—June 849.5 (846.5), July 851.5 (848.5), Aug. 856.8, Sept. 866.1, Dec. 885.2, Jan. 890.8, March 902.3, May 913.8, July 925.3, Sept. 936.8, Dec. 954.5, Jan. 960.5, March 971.8. Handy and Harman spot 846.80 (840.50).

Sugar—No. 11: July 8.27 (8.26); Sept. 8.70 (8.71); Oct. 8.95, Jan. 9.50; March 9.75; May 9.95, July 10.19; Sept. 10.30; Oct. 10.41.

Tin—705.00-715.00 asked.

CHICAGO, June 15.

Lard—Chicago loose 25.87.

Live Cattle—June 70.55 (69.95), Aug. 67.62 (66.90), Oct. 66.07, Dec. 67.80, Jan. 68.75, Feb. 69.60, April 70.60, June 71.80, Aug. 70.60, Oct. 70.20. Sales: 25,876.

Live Hogs—June 43.65 (43.22), July 41.35 (41.30), Aug. 38.70, Oct. 35.62, Dec. 37.70, Feb. 40.10, April 39.80, June 43.40, July 43.70. Sales: 6,977.

‡‡Maize—July 289-291 (284), Sept. 298-297 (291), Dec. 303½-304, March 313-313¾, May 318½, July 319½.

Plywood—July 194.7-194.3 (193.6), Sept. 197.9 (196.7), Nov. 196.8, Jan. 198.3, March 200.0, May 201.5, July 203.0, Sept. 203.0 asked, Nov. 203.0 asked.

Pork Bellies—July 41.27 (42.92), Aug. 39.42 (40.92), Feb. 47.45, March 47.47, May 48.05, July 49.45, Aug. 47.05.

Shell Eggs—June 57.00 (56.40), July 59.10 (57.30), Aug. 57.05, Sept. 61.95, Oct. 57.75, Nov. 62.75, Dec. 64.15. Sales: 111.

Silver—June 854.0 (850.7), July 854.0 (850.3), Aug. 859.5-860.5, Oct. 873.0-873.5, Dec. 885.5, Feb. 897.5, April 909.0, June 920.0, Aug. 931.0, Oct. 942.5, Dec. 954.0, Feb. 966.0, April 975.0, June 990.0 nom., Aug. 1,002.0, Oct. 1,014.0 nom., Dec. 1,025.5 nom., Feb. 1,039.0 nom., April 1,051.5 nom.

‡Soyabeans—July 799-801 (831½), Aug. 808-810 (895½), Sept. 809, Nov. 811-818, Jan. 823-825, March 836½, May 835, July 835.

Soyabean Meal—July 217.50-219.00 (211.00), Aug. 220.50-221.50 (213.70), Sept. 224.00-225.00, Oct. 223.00-224.00, Dec. 226.00-227.00, Jan. 227.50-227.00, March 229.00-230.00, May 230.00-229.50, July 227.50-228.50.

Soyabean Oil—July 27.15-27.20 (27.05), Aug. 27.45-27.42 (27.29), Sept. 27.60-27.50, Oct. 27.55, Dec. 27.65-27.60, Jan. 27.65-27.70, March 27.75-27.70, May 27.85, July 27.85-27.80, Aug. 27.75.

§Wheat—July 442½-443 (441), Sept. 451-450 (447¼), Dec. 465-464½, March 475, May 472-473, July 450.

WINNIPEG, June 15. §Rye—July 126.80 bid (121.90 bid), Oct. 126.00 bid (121.00 asked), Dec. 123.00 bid, May 123.50 bid.

§Barley—July 100.30 bid (100.30 asked), Oct. 97.00 (96.60), Dec. 92.60-92.70, March 92.60-92.70, May 92.60.

§Oats—July 96.50 asked (96.70 asked), Oct. 93.80 bid (93.50), Dec. 81.40 asked, March 89.99 asked, May 89.00 bid.

§Flaxseed—July 354.50 bid (352.50), Oct. 345.00 bid (341.00), Nov. 333.00 bid, Dec. 329.50 asked, May 333.00 bid.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

June 15	June 14	M'nth ago	Year ago
301.77	301.81	276.16	246.15

(Base: July 1, 1952=100)

MOODY'S

June 15	June 14	M'nth ago	Year ago
1105.4	1095.0	1056.0	929.3

(December 31, 1931=100)

DOW JONES

Dow Jones	June 15	June 14	Month ago	Year ago
Spot	425.31	420.14	388.55	361.34
F'tur's	429.31	425.22	385.77	350.51

(Average 1924-25-26=100)

REUTERS

June 15	June 14	M'nth ago	Year ago
1645.1	1653.5	1567.9	1496.2

(Base: September 18, 1931=100)

SUGAR

LONDON DAILY PRICE (raw sugar): £101.00 (£102.00) a tonne cif for May-June shipment. White sugar daily price was £107.00 (£108.50).

The market was little changed during the morning in dull trading conditions. During the afternoon, however, prices rallied, influenced by improving New York quotations, and closing levels were the high points of the day, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
Aug	107.55-07.70	107.50-07.80	107.75-06.80
Oct	111.85-12.08	111.00-11.90	112.25-11.00
Dec	116.00-16.10	116.80-15.90	116.25-15.10
March	121.25-21.40	121.20-21.35	121.25-20.40
May	125.85-25.95	124.00-24.10	124.25-23.10
Aug	127.25-27.50	127.25-27.65	126.75
Oct	130.75-30.00	130.50-30.75	130.75

Sales: 1,274 (2,148) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £279.50 (same) a tonne for home trade and 170.50 (171.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Price for June 14: Daily price 9.18 (8.21); 15-day average 7.92 (7.90).

WHITE SUGAR—Close (in order buyer, seller, business, sales). July expired 105.00, 104.00, 37. Sept. 111.05, 111.50, 111.00-110.50, 46. Nov. 114.30, 114.50, 114.25, 3; Feb. 121.25, 121.40, 121.00-120.50, 11. April 124.25, 124.50, nil, nil; July 127.75, 128.50, nil, nil; Sept. 130.75, 132.00, nil, nil. Sales: 97.

MEAT/VEGETABLES

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—Israeli: Valencia Lates 4.40-5.50; Cypriot: 5.00-6.00. Brazilian: 5.00-5.50; S. African: Navels 4.50-6.10. Lemons—Italian: 100-120's 4.80-5.00; Spania: Trays 30-40/45 2.00-2.40; S. African: 4.80-6.20. Brazilian: Trays 2.30-2.50. Grapefruits—S. African: 32/64 3.50-4.75; Jaffas: 4.40-4.80. Apples—S. African: Granny Smith 7.20-7.60, White Winter Pearmain 5.00, Starking 5.50-6.40, Golden Delicious 6.50-6.80; New Zealand: Cox's Orange Pippins 6.50-8.00, Sturmers 7.80, Golden Delicious 6.80, Delicious 7.00. Tasmanian: Jonathans 5.20-5.50, Cox's Orange Pippins 0.60-8.00, Golden Delicious 4.00-4.50. W. Australian: Granny Smith 7.20. Victorian: 7.20-7.40; Washington: Red Delicious per box 5.00-10.00; French: Golden Delicious 72's 2.30-2.40, 84's 2.10-2.30, jumble pack per pound 0.06-0.09; Italian: Golden Delicious per pound 0.05-0.08, Democrats 0.06. Pome Beauty 0.06. Dutch: Golden Delicious jumble pack 22 lb 1.30-1.40. Pears—S. African: Cartona Beurre Bosc 8.80, Packham's 8.20, Nelis 6.60; Victorian: Packham's 9.20, Josephines 8.60-9.60. Plums—Spanish: Santa Rosa 3.50-4.50, Japs 2.60-3.30. Bananas—Jamaican: Per 26 lb 4.20. Grapes—S. African: Cartona, Barlinka 5.50-5.80, Emperor 5.50, Almeria 5.80.

Stock Exchange dealings

Thursday, June 14	20,375
Wednesday, June 13	20,648
Tuesday, June 12	15,583
Monday, June 11	17,722
Friday, June 8	16,383
Thursday, June 7	16,756

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days; these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 3.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ◊ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

COMMERCIAL (2,665)

A—B

AB Electronic Products Grp. (25p) 197: 206
AGB Research (10p) 156 1
APV Hldgs. 7½pcBb. 67½
AVP Properties 7½pcDb. 67½ (12 6)
Aaronson Bros. (10p) 74½ 7
Abbey Panels (25p) 640
Aberdeen Constrcn (25p) 86
Aberthaw Bristol Channel Ptld. Cmt. (25p) 132 (12.6)
Acrow A (25p) 67. 7pcIstDb. 98½◊ ◊. 5pcPtly.Cnv.Unsecd Ln. 68½ (8.6)
Adwest Grp. (25p) 574 70 60. 6pcUnsecd. Ln. 62 (8 6)
Aeronautical Gen. (Instrmnts. (25p) 158◊
African Lakes 310 New 305 10 (8/6)
Airfix Inds. (20p) 42½D 40 38½. Wrrnts 5½ (8 6)
Albright Wilson 7½pcDb. 70 (13/6)
Alcan Aluminium (U.K.) 152
Alexanders Hldgs. A (5p) 13 (11/6)
Alginate Inds. (25p) 335 25
Allebone Sons (10p) 280
Allen (E.) Balfour (25p) 64D. 5pcPf. 44½ (11/6)
Allied Colloids (10p) 102 100 97 9½ 104
Allied Insulators (25p) 44 (13/6)
Allied Plant (10p) 35½ 0 (13/6)
Allied Textile (25p) 158 (8/6)
Alpine Hldgs. (5p) 116 (13.6)
Alpine Soft Drinks (10p) 173
Amal. Metal 325 (11 6)
Amal. Power Eng'g (25p) 122◊ 16
Amber Day Hldgs. (10p) 48½
Anderson Strathclyde (25p) 060 4½ 8
Anglia TV A (25p) 66. New A (25p) 88 (13.6)
Anglo-American Asphalt (25p) 42 (8/6)
Appleyard Grp. (25p) 79
Aquascutum Assocd. A (5p) 41½
Arcolectric (Hldgs.) A (5p) 36
Arenson (A.) (Hldgs.) (10p) 110
Arlen Electrical (25p) 63 (11/6)
Arlington Motor Hldgs. (25p) 103
Armitage Shanks Grp. (25p) 81. 10pc Unsecd Ln. 77 (11.6)
Armstrong Equipment (10p) 72½◊ 20 (11.6) 70
Arncliffe Hldgs. (10p) 43
Assocd. Biscuit Mfrs. (20p) 71
Assocd. Book Publishers (20p) 297 5
Associated British Foods (5p) 73. 7½pc Db. 65½ (13/6). 7½pcLn. 203 (12/6)
Associated Communications Corp. A Ord. (25p) 129 8 5 0
Associated Dairies Gp. (25p) 267 5 70. 9¼pcPf. 107
Associated Eng. (25p) 91◊ 87½◊ 0 ◊. PDO 89◊ 7 6 7½
Associated Fisheries (25p) 38
Associated Leisure (5p) 91½ 1 89. 7½pc Ln. 05 (11/6)
Associated Newspapers Gp. (25p) 220◊ 17 20 15
Associated Paper Ind. (25p) 50½◊
Associated Sprayers (10p) 30½
Associated Tooling Ind. (25p) 53 (11/6)
Astbury & Madeley (Hldgs.) (20p) 113½ (13.6)
Astra Ind. Gp. (10p) 20 (8/6)
Audiotronic Hldgs. (10p) 10½. 12pc Pf. (10p) 9½
Ault & Wiborg Gp. (25p) 35½ (11.6)
Aurora Hldgs. (25p) 66 (8.6)
Austin (F.) (Leyton) (10p) 16½
Automated Sec. (Hldgs.) (10p) 138. 8pc Prf. 31p (15 6)
Automotive Pdts. (25p) 93½◊. 9pc Prf. 101 (8/6)
Avana Gp. (5p) 100D 95 7 6 5 100½
Averys (25p) 273◊ 62 58 8
Avon Rubber 154◊ 5
Ayrshire Metal Pdts. (25p) 62◊
B.A.T. Ind. (25p) 208◊ 7D 00 5 7½ 2 3 4 6½ 7 70 61 57. Dfd. Ord. (25p) 255◊ 50 45½◊ 4D½ 40 3 5 30½ 42
BBA Gp. (25p) 54 (8/6). New Ord. (25p) 55 4 (12 6)
BICC (50p) 129◊ 73◊ 29 8. 6½pc Db. 81½ 61. 7pcBn. 76. 7½pcDb. 72½ (11 6)
BL (50p) 22 (13/6)
BLMC 6pcLn. 33. 7½pcLn. 51½ (13/6). 8pcLn. 50. 1½ 7½pcLn. 53◊

APPOINTMENTS

Director for Great Portland

Mr. Richard Peskin has been appointed joint managing director of GREAT PORTLAND ESTATES. He was assistant *managing director.*

★

Mr. K. G. Jessep has been appointed president of the CONCRETE SOCIETY for 1979-80. He succeeds Mr. W. T. F. Austin at the society's annual meeting on June 26. Mr. Jessop is the founder and chairman of the Stelmo organisation.

★

Mr. William W. Crossman has been elected a vice president of INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION. He is group general manager of ITT's illumination and electrical products group worldwide.

★

Mr. Anthony J. F. O'Reilly has been elected chief executive officer of H. J. HEINZ COMPANY. He will retain the title of president. He succeeds Mr. R. Burt Gookin, who will remain a director.

★

Mr. Denys Benke has been elected senior partner of BREWIN DOLPHIN AND CO., stockbrokers, in succession to Mr. G. E. Ruggles-Brise, who is retiring from the partnership but will be remaining with the firm. Mr. M. J. R. Williams is joining the partnership.

★

ALEXANDER HOWDEN UNDERWRITING has pleasure in announcing that Mr. W. E. Stoner, who is currently deputy underwriter of Swan Motor Policies at Lloyd's, has been appointed underwriter following the resignation of Mr. J. R. Graystoo. This appointment takes effect on July 1.

★

Mr. C. A. Griffith has been appointed a director of MOCCATA AND GOLDSMID, the bullion dealing subsidiary of Standard Chartered Bank.

★

Mr. Roger Matthews has been appointed chief executive of MASSTOCK GROUP OF COMPANIES. He will be based initially at the Masstock offices in Riyadh, Saudi Arabia, but will be responsible for all activities within the group worldwide.

★

Mr. Ernest Armstrong, Mr. Carleton Hetherington and Mr. A. G. Taylor have joined the Board of managing trustees of MUNICIPAL MUTUAL INSURANCE and its subsidiaries.

★

Mr. Brian Hewitt has been appointed the RACAL GROUP systems controller (marketing) —a new post.

★

Mr. E. L. Marsh has been re-elected for a second term of office as chairman of the WESTMINSTER CHAMBER OF COMMERCE. Two new vice chairmen have been elected: Mr. Geoffrey Edwards and Mr. John Lindsay Bethune. Mr. John Marks, Mr. Robert Sloane and Mr. Robert Stevens have been re-elected vice chairmen.

★

Mr. Guy M. Birkhead has been appointed a director of HENRY WHEATLEY AND SONS, a subsidiary of Allied Textile Companies.

★

Mr. Richard Yaffey has been appointed deputy managing director of CASEY'S CAMPING from June 11. He will be assisting the managing director, Mr. Chugg, in the general management of the business.

★

Mr. J. G. Beckett has been appointed managing director of GEORGE H. SCHOLES AND CO. from July 1 in place of Mr. G. R. C. McDowell, who will remain executive chairman.

★

Mr. John Denyer has been appointed to the Board of T. and R. WILLIAMSON. He joined the company in 1963 as general sales manager and became general manager in 1978.

★

Mr. Allan Picken has been appointed to the Board of SUPRA GROUP and continues as group company secretary.

★

The Secretary for Employment has appointed Mr. Reginald A. Dennery a non-executive director of REMPLOY. Mr. Dennery is a director and general deputy manager of Lucas CAV and chairman of a number of its subsidiaries. Remploy is a government *supported company for* the employment of disabled people.

★

Mr. Norman Boakes, who will be national chairman of the INSTITUTE OF MARKETING in November, has accepted an invitation to become president of the Croydon, Surrey, branch of the Institute. Mr. Boakes is a senior partner of Export Marketors Partnership.

Dr. A. J. A. Roux, who retires as president of the Atomic Energy Board at the end of June, is joining the board of VAAL REEFS MINING AND EXPLORATION COMPANY on July 1.

★

Following recent changes in the management structure of the Fenchurch Group, the Board of FENCHURCH INSURANCE HOLDINGS now consists of Lord Kissin chairman. Mr. R. A. W. Caine deputy chairman, Mr. G. E. Knight executive vice Mr. qiseiaoin etaoin shrdlu... chairman. The following are directors: Mr. P. W. Bedford, Mr. B. J. Blacker, Mr. Dell, Mr. P. C. E. Dix, Mr. R. L. Earl, Mr. D. G. Jago, Mr. C. A. G. Keeling, Mr. J. J. Y. Scott, Mr. M. J. Small, Mr. K. Viner and Mr. J. W. B. Wimble. Mr. C. B. Stevenson has been appointed company secretary.

★

Mr. Andrew Ramsay has been appointed deputy secretary and secretary of the lighting division of THE CHARTERED INSTITUTION OF BUILDING SERVICES.

★

COMSHARE, the UK computer services company, has appointed two deputy managing directors and nine new directors to the UK Board. Mr. Alex Jones, technical director, and Mr. Roy Poulter, sales director, have been appointed deputy managing directors along with the following new appointments to the Board: Mr. Nic Birtles, Mr. Brian Robson, Mr. John Cutting, Mr. Keith Talbot, Mr. Howard Garelick, Mr. John Taylor, Mr. Steven Millward, Mr. Mike Tollit and Mr. Dion O'Leary.

★

A new division of WALLACE AND TIERNAN will, from July 1, operate under the title automobile power division.

The new division will be headed by Mr. C. W. Bosson who, as general manager, will be directly responsible to the managing director of Wallace and Tiernan and working with him will be Mr. P. S. McLaughlin, field manager, automatic power division, domestic sales, and Mr. P. W. Miller, office manager, automatic power division sales.

★

Mr. Richard Warburton has been elected director general of THE ROYAL SOCIETY FOR THE PREVENTION OF ACCIDENTS from July 2. He succeeds Mr. Ronie Hearn, the acting director general, who is retiring.

OBITUARY

James Parratt

MR. JAMES PARRATT, chairman of Birds Eye frozen foods — part of the Unilever group from 1956 to 1972, has died while visiting London. He was 66. He was generally regarded as the pioneer of the frozen foods industry, and developed Birds Eye from a small company with a few hundred employees to the biggest frozen food company in the world with 12,000 workers.

Joining Unilever as a management trainee in 1934, he served during the Second World War in the Royal Marines, rising to the rank of lieutenant-colonel.

He became chairman of Birds Eye in 1956. A year earlier he introduced frozen fish fingers to Britain. On retirement he said he considered his main achievement "the development of the retail trade's attitude to and means of selling frozen food."

After retiring Mr. Parratt moved to Malta. He leaves a widow and two children by a former marriage.

EUROPEAN OPTIONS EXCHANGE

Series	July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
ABN C F.344.20	2	4.50	—	—	—	—	F.345
ABN C F.350	—	—	—	—	2	9	"
ABN C F.354.20	—	—	2	4.70	—	—	"
AKZ C F.30	—	—	4	1.30	15	2	F.28.50
AKZ C F.35.50	—	—	—	—	1	1	"
ARB C F.70	—	—	3	2	—	—	F.69.20
EK C $60	3	5/8	—	—	—	—	$57⅛
HO C F.30	—	—	25	2.70	—	—	F.30.30
HO C F.32.50	10	0.20	13	1.30	2	1.80	"
IBM C $80	8	¾	5	2⅛	—	—	$74⅞
KLM C F.100	40	2.90	16	5	2	8	F100
KLM C F.110	148	1.40	11	2.50	4	4.50	"
KLM C F.120	—	—	—	—	1	2.80	"
KLM P F.100	38	2.40	78	6.50	—	—	"
KLM P F.110	35	10	7	14.50	—	—	"
KLM P F.120	—	—	—	—	—	—	"
NN C F.100	—	—	—	—	1	24	"
NN C F.110	10	0.30	—	—	5	7.60	F.102.70
PET C Fr.4600	—	—	—	—	—	—	Fr.4635
PET C Fr.4800	2	105	1	385	—	—	"
PET C Fr.5000	—	—	1	250	—	—	"
PHI C F.25	55	0.50	115	1	4	235	F.23.70
PHI C F.27.50	—	—	102	0.40	57	1.50	"
PHI P F.27.50	—	—	2	3.70	5	0.70	"
PRD C $40	—	—	—	—	—	—	"
PSA C F.340	—	—	—	—	6	11	$32⅛
RD C F.120	—	—	5	6.80	—	—	F.325
RD C F.150	—	—	1	24.90	—	—	F.142.90
RD C F.135	20	8.70	2	14.70	—	—	"
RD P F.140	10	4.80	—	—	—	—	"
RD P F.145	40	1.80	6	6.60	—	—	"
UHI C F.150	—	—	4	3	15	5.80	"
UNC C F.125	30	0.80	—	—	1	7.20	F.122.40
XRX C $60	—	—	—	—	3	2⅛	$22

Series	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
BAZ C $45	—	—	4	2⅜	—	—	$43

Series	June Vol.	June Last	Sept. Vol.	Sept. Last	Dec. Vol.	Dec. Last	Stock
S C $20	11	1/16	6	1⅛	5	1½	$20

TOTAL VOLUME IN CONTRACTS 1010

C=Call P=Put

[illegible]

GAS (4)

[illegible]

INSURANCE (140)

[illegible]

INVESTMENT TRUSTS (154)

[illegible]

UNIT TRUSTS (9)

[illegible]

MINES—Australian (6)

[illegible]

Miscellaneous (57)

[illegible]

Rhodesian (2)

[illegible]

South African (41)

[illegible]

Diamond (5)

[illegible]

OIL (248)

[illegible]

PROPERTY (168)

[illegible]

RUBBER (27)

[illegible]

UK RAILWAYS (—)

FOREIGN RAILWAYS (—)

[illegible]

SHIPPING (57)

[illegible]

TEA (32)

[illegible]

CANALS (2)

[illegible]

WATERWORKS (1)

[illegible]

SPECIAL LIST

Business done in securities quoted in the Monthly Supplement.

JUNE 14 (Nil)

JUNE 13 (2)

[illegible]

JUNE 12 (2)

[illegible]

JUNE 11 (Nil)

JUNE 8 (Nil)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

JUNE 14

[illegible]

JUNE 13

[illegible]

JUNE 12

[illegible]

JUNE 11

[illegible]

JUNE 8

[illegible]

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

JUNE 14

[illegible]

JUNE 13

[illegible]

JUNE 12

[illegible]

JUNE 11

[illegible]

JUNE 8

[illegible]

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

JUNE 14

[illegible]

JUNE 13

[illegible]

JUNE 12

[illegible]

JUNE 11

[illegible]

JUNE 8

[illegible]

JUNE 7

Cerdecca Resources 73 68
CCP North Sea Associates £17¼ 17
Cluff Oil 362 50 35
Gas and Oil Acreage 153
Siebens (UK) 248 6 5 2 40 36 2

(By permission of the Stock Exchange Council.)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Redbridge (01-478 3020)	11	½-year	200	4-5
Redbridge (01-478 3020)	11½	½-year	200	6-7
Wrekin (0952 505051)	12	maturity	1,000	2-3

BUILDING SOCIETY RATES

	Deposit rate	Share accounts	Sub'pn shares	*Term shares
	%	%	%	
Abbey National	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Aid to Thrift	8.25	8.75	—	—
Alliance	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Anglia Hastings and Thanet	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Bradford and Bingley	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Bridgwater	7.75	8.00	9.50	9.50 4 yrs., 9.10 2½ yrs., 8.75 2 yrs.
Bristol and West	7.75	8.00	9.25	—
Bristol Economic	7.75	8.00	9.25	8.25 3 months' notice
Britannia	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Burnley	7.75	9.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Cardiff	7.75	8.50	9.50	—
Catholic	7.50	•8.20	9.00	— • 8.40 over £5,000
Chelsea	7.75	8.00	9.25	8.75 6 mths. not. £500 min. 8.50 3 mth.
Cheltenham and Gloucester	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Citizens Regency	7.75	8.30	9.25	9.50 4 yrs., 9.30 3 yrs., 9.25 2 yrs.
City of London	8.00	8.30	9.25	9.35 3 yrs. increment share min. £500
Coventry Economic	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs. min., 8.50 3mths.
Coventry Provident	7.75	8.00	10.00	9.50 4 yrs., 9.25 3 yrs., 9.75 2 yrs.
Derbyshire	7.75	8.00	9.25	8.50 up to 3 months' notice
Ealing and Acton	7.75	8.50	—	9.15 2 yrs., £2,000 minimum sum
Gateway	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Greenwich	7.75	8.45	9.25	8.10 3 yrs., 8.25 2 yrs.
Guardian	7.75	8.00	9.25	9.00 3 months' notice £1,000
Halifax	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Heart of England	7.75	8.00	9.25	9.50 4 yrs., 8.50 3 months' notice
Hearts of Oak and Enfield	7.75	8.25	—	9.50 4 yrs., 9.00 2 yrs.
Hendon	8.00	8.50	9.75	9.00 6 months, minimum £2,000
Huddersfield and Bradford	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Lambeth	7.75	8.30	9.25	9.00 3 months' notice, £250-£5,000
Leamington Spa	7.85	8.10	■10.97	8.85 2 years. ■3 years
Leeds Permanent	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Leicester	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.25 3 mths.
Liverpool	7.75	8.00	8.45	9.60 4/5 yrs., 8.60 2 yrs., min. £1,000
London Goldhawk	7.75	†8.50	†9.75	†9.25 2 yrs., †9.00 1 yr.
Melton Mowbray	7.85	8.10	9.25	8.85 2 yrs., minimum £2,000
Mornington	8.25	8.75	—	—
National Counties	8.00	8.30	9.30	9.40 6 mths., 8.75 3 mths., min. £1,000
Nationwide	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Newcastle Permanent	7.75	8.00	9.30	9.50 4 yrs., 9.30 3 yrs., 9.00 2 yrs.
New Cross	8.50	8.75	—	—
Northern Rock	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Norwich	7.75	8.00	9.25	9.00 3 yrs., 8.75 2 yrs., min. £500
Paddington	7.40	8.40	10.00	9.00 3 mths., 9.25 6 mths., min. £1,000
Peckham Mutual	8.00	8.50	—	—
Portman	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Principality	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 3 mths.
Progressive	8.00	8.25	9.25	9.50 4 yrs., 9.00 2 yrs., 8.75 3 months
Property Owners	7.75	8.50	9.75	9.00 3 months' notice
Provincial	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Skipton	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Sussex Mutual	7.75	8.35	10.00	9.30 3 yrs., 9.00 2 yrs., 8.75 1 yr.
Town and Country	7.75	8.00	10.00	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Walthamstow	7.75	8.10	9.20	9.60 4 yrs., 8.85 3 mths. not. min. £500
Woolwich	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.

*Rates normally variable in line with changes in ordinary share rates.

†Includes 0.25% Centenary Bonus throughout 1979.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Companies and Markets

CURRENCIES, MONEY and GOLD

UK MONEY MARKET

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979)

The Treasury bill rate at yesterday's tender was 13.3909 per cent compared with 11.4349 per cent previously and the minimum accepted bid was £96.65 against £97.14. Bids at that level were met as to about 9 per cent and above is full. The £300m bills on offer attracted bids of £1,211.6m and all bills offered were allotted. Next week a further £300m will be on offer replacing a similar amount of maturities.

Day to day credit appeared to be in good supply in the money market yesterday, and the authorities sold a large amount of Treasury bills all direct to the discount houses. The market was faced with a small increase in the note circulation and a small net take up of Treasury bills. On the other hand banks brought forward balances a large way above target. Discount houses were paying 12¾-13 per cent for secured call loans at the start with closing balances taken at 12½-13½ per cent.

In the interbank market weekend loans opened at 13¾-13½ per cent and rose to 13½-13¾ per cent before easing back on the forecast to 12¾-12¾ per cent. In early afternoon trading money touched 13¾-14 per cent, dipped to 13½-13¾ per cent and closed at 14½-15 per cent.

Rates in the table below are nominal in some cases.

EXCHANGES AND BULLION

The dollar lost ground against most major currencies in yesterday's foreign exchange market after discouraging money supply figures in the U.S. together with a continued easier trend in interest rates. Demand for other currencies increased during the afternoon and the U.S. unit finished on or around its worst level for the day. Against the D-mark it closed at its weakest level of DM 1.8900, compared with DM 1.9075 on Thursday, and at SwFr 1.6987½ from SwFr 1.7270 in terms of the Swiss franc. It was also weaker against the yen and finished at Y219.12½ against Y220.12½ previously. On Bank of England figures, the dollar's trade weighted index fell from 86.8 to 86.4.

Sterling showed little change until the afternoon when it benefited from a weaker dollar. On an overall basis, however, it recorded very little movement from Thursday, and its trade weighted index was unchanged at 68.2, having stood at 68.2 at noon and 68.3 in the morning. Against the dollar it opened at $2.0980 and eased to $2.0965 before coming back to $2.0990 around lunchtime. During the afternoon it improved steadily and closed at $2.1060-2.1070, a rise of 1.07c from Thursday, and its best closing level since September 1975.

Gold rose $1½ an ounce to close at $279¾-280½ having touched $280½-281 during the day.

OTHER MARKETS

June 15	£	$		£ Note Rates
Argentina Peso	2701-2721	1282-1292	Austria	29-30
Australia Dollar	1.8940-1.8990	0.8990-0.9015	Belgium	65¾-66¾
Brazil Cruzeiro	53.55-54.55	25.53-25.85	Denmark	11.47-11.57
Finland Markka	8.38½-8.69½	3.9780-3.9800	France	9.17-9.27
Greek Drachma	77.234-79.098	36.63-3.756	Germany	3.85-4.06
Hong Kong Dollar	10.78-10.80	5.1290-5.1520	Italy	1,760-1,800
Iran Rial	152-160	72-75	Japan	457-467
Kuwait Dinar (KD)	0.549-0.559	0.2784-0.2786	Netherlands	4.32-4.42
Luxembourg Frc.	63.82-63.92	30.31-30.33	Norway	10.85-10.95
Malaysia Dollar	4.6160-4.6360	2.2015-2.2026	Portugal	100-105
New Zealand Dlr.	2.0030-2.0090	0.9510-0.9536	Spain	135½-139½
Saudi Arab. Riyal	7.07-7.17	3.3880-3.3980	Switzerland	3.55-3.65
Singapore Dollar	4.61½-4.62½	2.2004-2.2012	United States	2.10-2.11
Sth. African Rand	1.76½-1.77½	0.8380-0.8426	Yugoslavia	41½-43½

Rate given for Argentina is free rate.

THE POUND SPOT AND FORWARD

June 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0960-2.1070	2.1060-2.1070	0.67-0.57c pm	3.53	1.64-1.54 pm	3.02
Canada	2.4515-2.4695	2.4675-2.4695	0.69-0.59c pm	3.11	1.50-1.50 pm	2.31
Nethlnd.	4.36½-4.39½	4.36½-4.37½	2½-1½c pm	5.49	5¾-4¾ pm	4.81
Belgium	63.80-64.30	63.82-63.92	30-20c pm	4.70	63-53 pm	3.63
Denmark	11.48-11.56	11.50¼-11.56¼	7½-½ore pm	1.56	2¾-¾ pm	7.30
Ireland	1.0550-1.0615	1.0570-1.0580	09-19p dis	−1.59	42-52 dis	−2.19
W. Ger.	3.97½-4.00½	3.97¾-3.98¾	3½-2½pf pm	0.04	0-7 pm	7.53
Portugal	104.00-105.00	104.35-104.65	30-90c dis	−6.89	130-230 dis	−6.89
Spain	138.35-139.25	138.95-139.20	40c pm-10c dis	1.29	55-05 pm	0.86
Italy	1,785-1,790	1,786½-1,788½	3½-1½lire pm	1.85	5½-3½ pm	0.98
Norway	10.89½-10.92	10.91-10.92	5½-3½ore pm	4.53	14-12 pm	4.76
France	9.21½-9.26	9.22¾-9.23¾	3¾-2¾c pm	2.92	7½-6½ pm	3.19
Sweden	9.17-9.21	9.19¼-9.20¼	3¾-1¾ore pm	3.59	9-7 pm	3.47
Japan	460-464	461-462	3.60-3.35y pm	9.04	9.55-8.70 pm	8.03
Austria	29.30-29.55	29.35-29.40	20-10gro pm	6.13	53-43 pm	6.54
Switz.	3.57-3.62½	3.57¼-3.58¼	4½-3½c pm	13.00	11½-10½ pm	11.88

Belgian rate is for convertible francs. Financial franc 66.10-66.20. Six-month forward dollar 2.65-2.60c pm; 12-month 4.65-4.55c pm.

LONDON MONEY RATES

June 15 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	12½-15	—	—	—	14½	12½-13½	—	—	—
2 days notice	—	—	13¾-13⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	13⅝-13⅞	13⅞	—	14¼	14	13	—	—	—
One month	14-13⅞	14-14⅛	13¾	15-14¾	14¼	14⅜	13½	13¼	13¾	14
Two months	14-13⅞	13⅞-14	—	14⅝-14¼	14¼	14¼	13½	13⅞	13⅞	14
Three months	13⅞-13⅞	13⅞-13⅞	13⅝-15⅛	14¼-14	14¼	—	13½	13⅝	13⅞	14
Six months	13¼-13⅛	13½-13⅝	13-15⅛	13¼-12⅞	15½	—	—	—	13⅝	13¼
Nine months	13-12⅞	12¾-13	—	13¼-12⅞	13¼	—	—	—	—	—
One year	12⅞-12⅞	12⅝-13¾	12½-12¾	13-12⅝	13	—	—	—	—	—
Two years	—	—	12½-12⅞	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice others seven days' fixed. *Long-term local authority mortgage rates nominally three years 12½-13 per cent; four years 12½-13¼ per cent; five years 12¾-13¼ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying for four-month bank bills 13⅝ per cent; four-months trade bills 13¼ per cent.

Approximate selling rate for one-month Treasury bills 13⅝ per cent; two-months 13¾ per cent; three months 13⅝ per cent. Approximate selling rate for one-month bank bills 13⅞ per cent; two month 13⅞ per cent; and three-month 13⅝ per cent; one-month trade bills 13¾ per cent; two-month 13¾ per cent; and three-month 13¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 12 per cent from June 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.3909 per cent.

GOLD

	June 14	June 15
Gold Bullion (fine ounce)		
Close	$279¾-280½ (£132.9-133.2)	$278½-279¼ (£132.9-133.2)
Opening	$278½-279¼ (£132.8-133.1)	$279-279¾ (£132.6-132.9)
Morning fixing	$279.30 (£133.044)	$278.80 (£132.447)
Afternoon fixing	$280.00 (£133.080)	$279.00 (£133.047)
Gold Coins, domestically		
Krugerrand	$287½-291½ (£136½-136½)	$285½-289½ (£136½-138½)
New Sovereigns	$72¾-74½ (£34½-35½)	$72½-74½ (£34½-35½)
Old Sovereigns	$88-90 (£41¾-42¾)	$87½-89½ (£41½-43½)
Gold Coins, internationally		
Krugerrand	$286-290 (£136½-137½)	$287-289 (£137-138)
New Sovereigns	$72½-74½ (£34½-35½)	$71¾-73¾ (£34½-38½)
Old Sovereigns	$91½-95½ (£43½-44½)	$91-93 (£45½-44½)
$20 Eagles	$400-405	$381-386
$10 Eagles	$228-233	$228-233
$5 Eagles	$158-163	$158-163

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.35-10.45 per cent; three months 10.35-10.45 per cent; six months 10.25-10.35 per cent; one year 9.95-10.05 per cent.

June 15	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	16½-14½	10⅛-10⅜	16	7¾-8	⅝-¾	6⅜-5½	8-8¼	9-16	—	5⅛-5⅞
7 days' notice	14-14½	10¼-10½	10¼-10½	7¾-8	¾-⅞	6⅜-5½	8-8¼	10-11	10¼-10⅛	3⅞-4⅞
Month	14-14⅜	10⅜-10⅝	10⅞-11⅛	8-8¼	1⅜-1½	5⅝-5¾	9¾-10	11½-12½	10⅜-10½	4½-5⅜
Three months	13⅝-14	10⅞-10⅞	10¾-11	8⅜-8⅝	1⅝-1¾	6⅞-6⅞	10⅛-10⅝	12-15	10⅜-10½	6⅞-6⅛
Six months	13⅛-13½	10⅞-10⅞	10½-10¾	9-9¼	2⅞-2⅞	6⅜-6½	10⅜-10⅞	12½-13½	10⅜-10½	6⅛-6⅞
One year	12⅞-12⅞	10⅞-10⅞	10⅜-10⅝	9-9¼	2¾-2⅞	6¾-6⅛	10½-11	13-14	10⅞-10⅞	6⅜-6¾

Long term Eurodollar: two years 9¾-9⅞ per cent; three years 9-9⅞ per cent; four years 9⅞-9⅞ per cent; five years 9⅞-9¾ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU June 15	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	40.4829	+2.60	+1.69	±1.53
Danish Krone	7.08592	7.27274	+2.64	+1.73	±1.635
German D-Mark	2.51064	2.52074	+0.40	−0.51	±1.1325
French Franc	5.79831	5.84268	+0.77	−0.14	±1.35
Dutch Guilder	2.72077	2.76762	+1.72	+0.81	±1.5075
Irish Punt	0.662638	0.670145	+1.13	+0.22	±1.665
Italian Lira	1148.15	1130.81	−1.53	−1.53	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

CURRENCY RATES

June 15	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.603773	0.630613
U.S. $	9½	1.26986	1.32305
Canadian $	11¼	1.48802	1.55098
Austria Sch.	3¾	Unavail	18.6216
Belgian F.	9	50.8895	40.5441
Danish K.	8	6.99883	7.28450
D mark	4	Unavail	2.62455
Guilder	7	2.65391	2.76843
French Fr.	9½	5.80707	6.84248
Lira	10½	1082.55	1127.68
Yen	4¼	280.131	291.225
Nrwgn. K.	7	6.60264	6.87643
Spanish Pes.	8	Unavail	97.3660
Swedish Kr.	6½	6.36389	5.80610
Swiss Fr.	1	2.19381	2.88619

CURRENCY MOVEMENTS

June 15	Bank of England Index	Morgan Guaranty changes %
Sterling	68.2	−36.4
U.S. dollar	86.4	−7.3
Canadian dollar	81.0	−16.9
Austrian schilling	145.3	+18.4
Belgian franc	115.0	+13.2
Danish kroner	112.8	+2.5
Deutsche Mark	150.2	+41.8
Swiss franc	195.2	+82.0
Guilder	122.9	+18.7
French franc	90.5	−7.2
Lira	54.5	−49.1
Yen	151.9	+30.6

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EXCHANGE CROSS RATES

June 15	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.107	3.983	461.5	9.234	5.378	4.370	1708.	2.469	63.87
U.S. Dollar	0.475	1.	1.891	219.1	4.383	1.690	2.075	848.6	1.172	30.32
Deutschemark	0.251	0.589	1.	115.9	2.319	0.890	1.097	448.8	0.620	16.04
Japanese Yen 1,000	2.167	4.564	8.629	1000.	20.01	7.752	9.469	3875.	5.349	138.4
French Franc 10	1.083	2.281	4.313	499.8	10.	5.874	4.746	1936.	2.673	69.17
Swiss Franc	0.280	0.589	1.113	129.0	2.581	1.	1.222	499.7	0.690	17.85
Dutch Guilder	0.229	0.482	0.911	105.6	2.113	0.819	1.	409.0	0.565	14.62
Italian Lira 1,000	0.569	1.178	2.228	258.2	5.166	2.001	2.445	1000.	1.381	35.73
Canadian Dollar	0.405	0.853	1.613	187.0	3.741	1.449	1.770	724.1	1.	25.87
Belgian Franc 100	1.566	3.298	6.235	722.6	14.46	5.601	6.842	2799.	3.865	100.

U.K. CONVERTIBLE STOCKS 15/6/79

Statistics provided by data STREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.§	Income Diff.◊	Cheap(+) Dear(−)◊ Current
Associated Paper 9½pc Cv. 85-90	0.23	110.00	200.0	76-80	9.0	8.2	11.1	− 6 to 11	6.2	9.2	2.9	− 8.2
Bank of Ireland 10pc Cv. 91-96	1.20	166.00	47.6	77-80	6.1	3.4	− 7.0	−10 to 3	0.0	9.4	5.3	+12.3
British Land 12pc Cv. 2002	7.71	237.00	333.3	80-97	5.3	3.8	4.8	−10 to 10	0.0	90.8	41.9	+37.1
English Property 6½pc Cv. 98-03	3.23	140.00	234.0	76-80	4.7	3.7	0.6	− 4 to 1	8.2	3.1	− 3.6	− 4.2
English Property 12pc Cv. 00-05	15.31	89.00	150.0	76-84	13.7	13.8	− 0.3	− 0 to 17	25.2	41.7	15.5	+18.7
Hanson Trust 6½pc Cv. 88-93	3.38	94.00	57.1	76-80	7.0	7.3	4.8	− 7 to 5	6.3	3.1	− 3.5	− 8.3
Slough Estates 10pc Cv. 87-90	5.50	206.00	187.5	78-85	4.8	—	4.6	− 2 to 10	35.6	39.6	2.0	− 2.6
Thorn Electric 5pc Cv. 90-94	4.19	120.00	29.1	75-80	4.2	3.1	− 0.8	− 1 to 2	9.1	7.0	− 1.7	− 0.9
Tozer, Kemsley 8pc Cv. 1981	0.78	88.00	153.9	74-79	9.2	14.6	5.9	− 1 to 21	0.0	0.0	− 0.0	− 5.9
Ultramar 7pc R.Cv.Pfd.	14.97	1.41	0.5	76-82	7.6	5.3	− 7.0	− 5 to 7	22.3	26.9	2.7	+ 9.7
Wilkinson Match 10pc Cv. 83-98	11.10	85.00	40.0	76-83	12.4	12.7	25.0	21 to 30	27.3	38.1	13.1	−11.9

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ◊ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ◊ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

LONDON STOCK EXCHANGE

Technical rally reverses equity slide but movement falters on announcement of £1.8bn tap stocks

Account Dealings Dates
Option

*First Dealings	Declara-tions	Last Dealings	Account Day
June 4	June 14	June 15	June 26
June 18	June 28	June 29	July 10
July 2	July 12	July 13	July 24

* "New time" dealings may take place from 9.30 am two business days earlier.

Technical end-account influences yesterday reversed the sharp downturn stock markets sustained earlier in the week because of growing union opposition to the first Tory Budget and other measures and mounting concern about the upward pressures on the rate of inflation. Dealers' book-squaring tactics coupled with bear-closing benefited leading shares but left untouched secondary stocks, many of which recorded fresh losses.

A small demand for the account beginning next Monday also helped to nudge the leaders higher, but the continued absence of genuine investment buying generated caution and the gains were shaded ahead of the 3.30 pm close as the market began to look to Gilt-edged for a guide. Quotations in the latter were generally relinquishing small improvements awaiting possible announcements regarding replacement tap stock issues.

These were duly made in the shape of a further £1bn tranche of Exchequer 12¼ per cent 1999 and £800m of new Treasury 12 per cent 1984, both to be issued by tender with the former requiring only £15 and the latter £50 to be paid on application. When dealings resumed after the usual 45 minute recess, long-dated Gilts were lower, mirroring disappointment with the unexpectedly large call on the market, but the shorter issues held at the official closing levels.

Equities accordingly shed a few more pence and the FT 30-share index, which had registered a recovery of 8.6 at 2 pm, closed exactly half that amount up on balance at 478.5 for a fall of 24.7 on the week; this left the slide from the May 4 record high at just over 80 points.

Government stocks which had pursued an irregular course for most of the day continued the trend in after-hours' trade and high-coupon longs, dull all through the session, ended with falls ranging to 1¾ points. Other longs, however, closed only a net ¼ or so easier, while the shorts actually finished higher on balance with gains extending to ¼, after initial losses of ⅛.

Activity in the investment currency market was the heaviest for some considerable time in a week which has seen marked weakness because of the relaxation in exchange control regulations. A large part of yesterday's trade stemmed from institutional sources and, reflecting the varied nature of the business, rates fluctuated between a narrow range of 37 and 39½ per cent before a close of 38½ per cent, which was slightly better on the day but 17 points down on the week. Yesterday's SE conversion factor was 0.8912 (0.8922).

Increased demand for Traded Options saw the total number of contracts recorded rise to 1,546 from the previous day's 934. Cons. Goldfields were particularly lively with 283 deals done, while a sizeable trade was also transacted in Marks and Spencer and ICI which recorded 175 and 167 contracts respectively. The week's daily average improved to 1,054 against 566 the previous week.

Banks better

Despite adverse comment, some banks picked up slightly in the wake of the base lending rate increases. Barclays rallied 8 to 448p and Lloyds retrieved 6 to 318p, while Midland hardened 3 to 408p as did NatWest, to 348p. Investment currency considerations continued to affect overseas issues and ANZ dipped 3 more to 257p and Commercial Bank of Australia declined 6 to 142p. Merchant banks remained friendless and Hill Samuel Warrants receded 25 more to 325p. Elsewhere, Cattles Holdings closed unaltered at 34p; the price in yesterday's issue was incorrect.

A rally in the Brewery sector was featured by a jump of 10 to 191p in Guinness in response to the good interim results. Other leading issues closed below the best, Bass ending 3 higher at 209p, after 211p, and Allied 1½ dearer at 89p, after 90p. Scottish and Newcastle closed 3½ up at 70p. Elsewhere, Distillers finished 4 to the good at 215p, after 217p.

Technical influences and the appearance of one or two genuine buyers saw Building descriptions regain a certain amount of composure, but Burnett and Hallamshire eased 13 for a two-day reaction of 25 to 375p; the annual results are due on Wednesday. International Timber were quoted ex the rights issue at 118p, down a penny with the new nil paid shares opening at 3p premium and slipping to 2p premium before settling at 2½p premium. Cement Roadstone firmed 3 to 86p following a 14 per cent cement price increase announced by a subsidiary.

Modest support took ICI up to 359p before a change in sentiment left the price 2 cheaper on balance at 353p. Fisons, however, improved 5 to 254p.

Fraser below best

A particularly vulnerable sector since Tuesday's Budget on fears that the sharp rise in VAT will adversely affect sales, Stores regained some composure yesterday in response to reassuring Press comment. A resurgence of speculative buying fuelled by revived suggestions that a bid from Lonrho is imminent helped House of Fraser feature with a rise of 12 to 180p, after 186p, while Gussies A rallied 10 to 368p and W. H. Smith A picked up 6 to 170p. Debenhams recovered 4 to 87p and Marks and Spencer 3 to 110p. Combined English, however, continued lower as the proposed £4m rights issue prompted a fresh fall of 5 to 123p, after 120p.

Assisted by bear closing, GEC rallied to 364p before settling at 362p for a rise of 6 on balance. Elsewhere in the Electrical leaders, Plessey picked up 2 to 105p, but EMI finished a penny easier at 97p, after 99p.

The Engineering leaders staged a technical rally, but final quotations were below the day's best. John Brown touched 494p before settling at 489p, up 8 on the day, while GKN ended only a penny dearer at 256p, after 260p. Bear-closing was evident in second liners, but the overall trend was to lower levels. Averys rallied 6 to 260p, while Vosper, 232p, and Babcock and Wilcox, 156p, picked up 5 and 4 respectively. On the other hand, Matthew Hall, down 10 at 265p, were not helped by the chairman's remarks about fierce competition, both national and international. A. Lee eased a penny to 21p on the pre-tax loss at the half-way stage.

Foods recovered some ground, mainly on bear closing. Associated Dairies picked up 5 to 268p, J. Sainsbury 3 to 333p and, ahead of Wednesday's interim results, Tate and Lyle firmed 6 to 150p. United Biscuits added 4 to 87p and Cullens A, at 124p, recovered half the previous day's fall of 20.

Pilkington pleases

Miscellaneous Industrial leaders rallied in places on technical influences. Pilkington rose 8 to 323p, after 326p, following the better-than-expected preliminary profits and Metal Box, recently dull on the disappointing results, improved 6 to 302p on Press comment. Despite adverse comment, Reed International added a like amount to 172p and Turner and Newall appreciated 4 to 139p, after 140p. Major overseas earners remained sensitive on concern about the recent relative strength of sterling and Beecham, after touching 540p, fell late to end 3 off at 530p, while Reckitt and Colman ended similarly lower at 442p. Elsewhere, buying ahead of Monday's first-half figures brought about an improvement of 10 to 167p in Hanson Trust, while Ferguson Industrial added 4 to 126p on the results and proposed 50 per cent scrip issue. A re-appraisal of the annual results helped English China, at 89p, to retrieve 5 of the previous day's fall of 11, while De La Rue improved 7 to 482p on the increased dividend. Johnson Matthey dipped 10 to 200p; the price in yesterday's issue was incorrect.

Press comment prompted a gain of 7 to 21p in Horizon Midlands.

Among Motors Distributors, Rolls-Royce rallied 1½ to 79½p, but Dowty touched 307p and ended 3 off for a drop of 32 on the week to 311p. Jonas Woodhead firmed 3 to 94p following the annual results.

Great Portland Estates provided an early firm feature in Properties, touching 302p before settling at 298p for a net gain of 12 on the good annual profits and proposed 50 per cent scrip issue. Other issues remained overshadowed by higher interest rates and usually retreated from a slightly firmer start to register small net falls and Property Partnerships eased 5 to 165p following the preliminary results. End-account influences left Churchbury Estates 30 lower at 395p.

Oils quietly better

Conditions in the Oil market were rather quiet, but scattered bear closing prompted a modest rally in the leaders after the recent sharp setback. British Petroleum recovered to 1146p before settling at 1142p for a gain of 6 but still down 84 on the week. Shell finished 2 dearer at 360p, after 364p. The recovery in secondary issues, however, was more pronounced. Siebens (UK), 204p, and Ultramar, 296p, rose 14 and 18 respectively.

Fresh losses in the Trust sector ranged to 5 while in Financials, Robert Kitchin Taylor weakened afresh to 164p, down 1), on the cautious second-half profits statement.

Plantations were notable for a reaction of 25 to 265p in McLeod Russel following the sharp contraction in annual profits.

Golds up again

South African Golds carried Thursday's recovery a stage further after the heavy losses sustained on Wednesday. Modest local and Continental support prompted by the firmness of the bullion price saw prices edge progressively higher to close at the day's best.

The Gold Mines index put on 1.8 more to 179.0 but still showed a fall of 22.8 over the week reflecting the sharp decline in the investment currency premium. The ex-premium index—up 1.4 at 159.5—was only 5 down over the longer period.

Among heavyweights, West Driefontein were in demand and gained ½ to £26¼, while Vaal Reefs added ½ to £17¼. Randfontein was finally unchanged on balance at £27, after initially falling to £26½ on disappointment with the interim dividend.

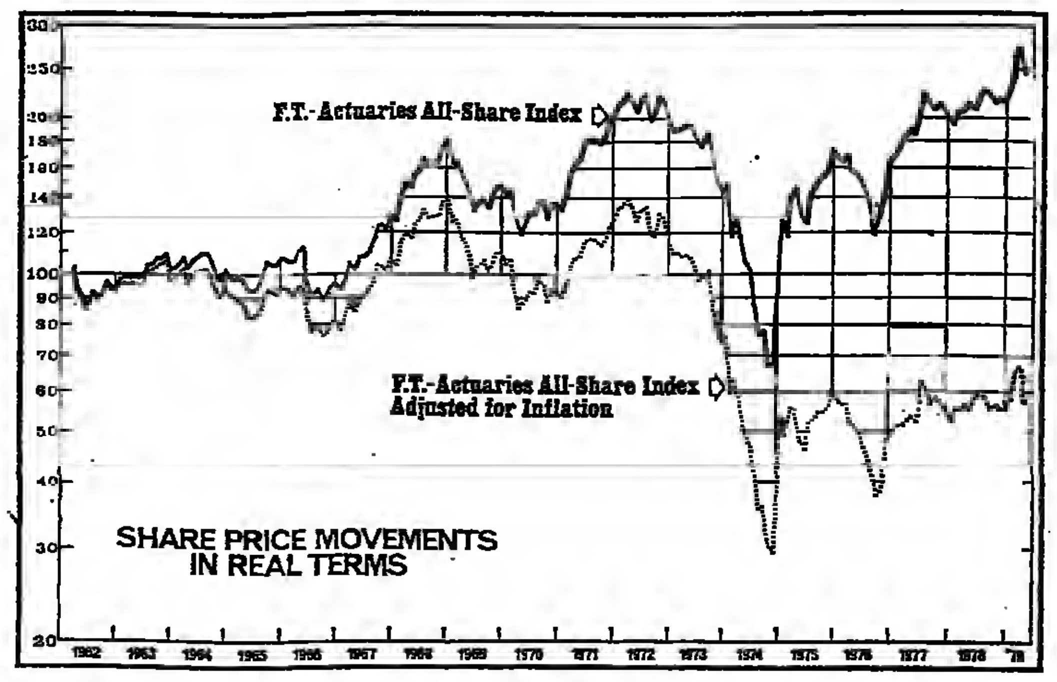
In the medium- and lower-priced issues, Kloof rose 21 to 715p and East Driefontein 16 to 765p.

South African Financials were generally a fraction firmer in quiet trading, while London-based Financials eased towards the close after being substantially better earlier in the day.

Gold Fields were finally a [illegible] up at 239p, after 246p, while Charter were unchanged at 144 after 146. RTZ rose 4 to 298p.

Elsewhere, Anglo United Development rose 15 to 240p in response to further local and Canadian buying.

At the company's request, dealings in Mining Investment Corporation were suspended at 9 at the outset of trading following news that an approach had been made to the company which could lead to a take-over bid.



FINANCIAL TIMES STOCK INDICES

—	June 16	June 14	June 13	June 12	June 11	June 8	A year ago
Government Secs.	70.24	70.44	71.15	72.85	72.85	72.60	70.44
Fixed Interest	72.38	72.44	72.77	74.37	74.48	75.00	72.87
Industrial	478.5	474.2	488.9	501.4	503.0	503.2	470.8
Gold Mines	178.0	177.2	174.5	200.9	204.8	201.8	167.9
Gold Mines Ex $ pm	159.5	158.1	155.4	183.8	169.5	164.7	108.6
Ord. Div. Yield	5.17	5.21	5.04	5.88	5.84	5.84	5.62
Earnings Yld. % (full)	16.23	16.54	15.90	15.48	15.39	15.39	16.39
P/E Ratio (net) (*)	7.87	7.82	8.04	8.27	8.32	8.39	8.16
Total bargains	20,896	20,375	20,648	15,583	17,729	16,885	—
Equity turnover £m.	—	104.67	123.51	68.06	69.59	99.02	64.88
Equity bargains total	—	16,298	15,824	11,837	14,576	14,362	12,908

10 am 475.5. 11 am 477.2. Noon 480.7. 1 pm 481.2. 2 pm 482.8. 3 pm 482.2.

Latest Index 01-246 8026.

*Nil = 7.57.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	66.03 (15/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	446.1 (13/2)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	208.4 (6/6)	129.9 (11/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines Ex $ pm	169.5 (6/6)	95.2 (2/11)	337.1 (3/4/74)	54.3 (25/6/75)

S.E. ACTIVITY

	June 15	June 14
—Daily		
Gilt Edged	83.7	118.6
Industrials	187.2	165.0
Speculative	35.0	31.1
Totals	101.2	104.5
5 d'y Av'r'ge		
Gilt Edged	112.8	115.8
Industrials	153.0	148.2
Speculative	33.6	32.6
Totals	97.8	96.3

LONDON TRADED OPTIONS

Option	Ex'rc'se price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	1100	78	11	108	—	160	—	1142p
BP	1200	24	1	60	—	116	—	"
BP	1300	5	6	32	—	72	—	"
Com. Union	140	11	—	14	—	20	10	144p
Cons. Gold	220	22	49	35	—	—	—	242p
Cons. Gold	240	11	105	24	—	29	—	"
Cons. Gold	260	4	65	13	80	19	—	"
Courtaulds	100	3½	55	8	5	12	20	95p
Courtaulds	110	1½	—	4	20	7	1	"
GEC	360	24	2	37	15	56	—	363p
GEC	390	11	42	22	—	42	—	"
GEC	420	3½	72	15	8	31	—	"
GEC	460	½	3	9	5	20	4	"
Grand Met.	128	14	42	17	8	—	—	132p
Grand Met.	138	6½	17	13	6	20	2	"
Grand Met.	158	2½	3	6	62	12	10	"
ICI	330	34	15	44	—	—	—	356p
ICI	360	13	27	25	—	31	—	"
ICI	390	3	35	11	—	21	40	"
ICI	420	½	9	4	—	12	40	"
Land Secs	280	12	15	28	—	37	15	281p
Land Secs	300	3	—	16	—	28	5	"
Land Secs	330	1	10	2	—	16	15	"
Marks & Sp.	80	32	2	35	—	—	—	110p
Marks & Sp.	90	29	—	26	1	—	—	"
Marks & Sp.	100	14	4	19	10	—	—	"
Marks & Sp.	110	8	20	13	5	18	45	"
Marks & Sp.	120	3	22	9	30	12	10	"
Marks & Sp.	130	1	—	4½	8	9	18	"
Shell	325	50	5	54	6	—	—	361p
Shell	375	15	17	27	—	39	—	"
Shell	400	5	42	17	10	28	—	"
Totals			658		289		235	
		August		**November**		**February**		
BOC Intl.	70	9	—	11	16	13½	—	75p
BOC Intl.	80	3	—	4½	—	7½	42	"
Boots	180	18	—	26	54	31	—	191p
Boots	200	7	2	15	28	20	—	"
Boots	220	9½	3	8	—	11	25	"
EMI	20	15	8	19	6	25	—	97p
EMI	100	10	—	13	—	19	6	"
EMI	110	8	—	11	—	16	24	"
EMI	120	3	—	8	—	11	25	"
Imperial Gp	90	7	—	10	8	13	—	92p
Imperial Gp	100	2½	—	5½	25	8	—	"
RTZ	300	23	10	35	—	46	—	298p
RTZ	330	10	23	22	—	31	—	"
RTZ	360	4	19	12	—	—	—	"
Totals			65		137		162	

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
GEC	25p	12	362	+6	456	311
Beecham	25p	11	530	−3	755	530
BP	£1	10	1142	+6	1246	882
Eng. China Clays	25p	10	89	+5	100	81
ICI	£1	9	353	+2	415	346
Rank Org.	25p	9	220	+4	300	212
RTZ	25p	9	298	+4	362	226
Ultramar	25p	9	296	+18	315	210
GUS "A"	25p	8	368	+10	448	288
Marks & Spencer	25p	8	110	+3	134	83
NatWest	£1	8	348	+3	406	273
BAT Inds.	25p	7	268	+5	362	263
Boots	25p	7	190	+1	238	184
Distillers	50p	7	215	+4	259	198
Shell Transport	25p	7	360	+2	402	278

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163 (1) (e) and reproduced today in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979 high	1979 low
BP	£1	56	1142	−84	1246	882
GEC	25p	60	362	−17	456	311
ICI	£1	51	353	−19	415	346
Beecham	25p	49	530	−33	755	530
Shell Transport	25p	49	360	−16	402	273
Grand Met. 'New'	Nil/pd.	45	10½pm	−1½	16pm	10pm
BAT Inds.	25p	42	268	−10	362	263
Burmah Oil	£1	41	126	−2	134	82
Barclays Bank	£1	39	448	−7	514	360
P&O Defd.	£1	39	92	−8	104	71
RTZ	25p	39	298	−17	362	226
GUS 'A'	25p	38	368	−30	448	288
Marks & Spencer	25p	38	110	−5	134	83
Unilever	25p	37	590	−26	680	520
Boots	25p	36	190	−9	238	184

BASE LENDING RATES

- A.B.N. Bank .... 14 %
- Allied Irish Banks Ltd. 14 %
- Amro Bank .... 14 %
- American Express Bk. 14 %
- A P Bank Ltd. .... 14 %
- Henry Ansbacher ...... 14 %
- Associates Cap. Corp.... 14 %
- Banco de Bilbao ...... 14 %
- Bank of Credit & Cmce. 14 %
- Bank of Cyprus .... 14 %
- Bank of N.S.W. .... 12 %
- Banque Belge Ltd. ... 14 %
- Banque du Rhone et de la Tamise S.A. 14½%
- Barclays Bank .... 14 %
- Bremar Holdings Ltd. 15 %
- Brit. Bank of Mid. East 14 %
- ■ Brown Shipley .... 14 %
- Canada Perm't Trust ... 14 %
- Cayzer Ltd. .... 14 %
- Cedar Holdings .... 12 %
- ■ Charterhouse Japhet... 14 %
- Choulartons .... 14 %
- C. E. Coates .... 14 %
- Consolidated Credits... 12 %
- Co-operative Bank ......*14 %
- Corinthian Secs. .... 14 %
- Credit Lyonnais .... 14 %
- The Cyprus Popular Bk. 12
- Duncan Lawrie .... 14 %
- Eagil Trust .... 14 %
- English Transcont. ... 14 %
- First Nat. Fin. Corp. ... 14 %
- First Nat. Secs. Ltd. ... 14 %
- ■ Antony Gibbs .... 12 %
- Greyhound Guaranty... 14 %
- Grindlays Bank ....‡14 %
- ■ Guinness Mahon ...... 12 %
- ■ Hambros Bank .... 14 %
- ■ Hill Samuel ....§14 %
- C. Hoare & Co. ....†14 %
- Julian S. Hodge ...... 15 %
- Hongkong & Shanghai 14 %
- Industrial Bk. of Scot. 12 %
- Keyser Ullmann ...... 14 %
- Knowsley & Co. Ltd.... 15½%
- Lloyds Bank .... 14 %
- London Mercantile ... 14 %
- Edward Manson & Co. 15 %
- Midland Bank............ 14 %
- ■ Samuel Montagu ...... 12 %
- ■ Morgan Grenfell ...... 14 %
- National Westminster 14 %
- Norwich General Trust 14 %
- P. S. Refson & Co. ... 14 %
- Rossminster .... 14 %
- Ryl. Bk. Canada (Ldn.) 14 %
- Schlesinger Limited ... 14 %
- E. S. Schwab .... 13 %
- Security Trust Co. Ltd. 13 %
- Shenley Trust .... 14 %
- Standard Chartered ... 14 %
- Trade Dev. Bank ...... 14 %
- Trustee Savings Bank 14 %
- Twentieth Century Bk. 15 %
- United Bank of Kuwait 12 %
- Whiteaway Laidlaw ... 14½%
- Williams & Glyn's...... 14 %
- Yorkshire Bank .... 14 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%. 1-month deposits 11¾%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12%, and over £25,000 12¼%.
‡ Call deposits over £1,000 11½%.
§ Demand deposits 11½%.

OPTIONS

Call options taken out in UDT, Comfort Hotels, Burmah Oil, Plessey, Town and City Properties, Siebens (UK), Premier Consolidated, Decca 'A,' Raybeck, Lesney, Grand Metropolitan Hotels, Lex Service, Ultramar, Tesco, Vickers, Spillers, Rothmans, GEC, Lonrho and Bowater. No puts were reported, but double options were arranged in Lovex, Plessey, Granada A, Siebens (UK), UDT, Charterhall and Town and City Properties.

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
May 30	Jun. 11	Aug. 23	Sep. 4
Jun. 12	Jun. 25	Sep. 6	Sep. 18
Jun. 26	July 9	Sep. 20	Oct. 2

For rate indications see end of Share Information Service

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (3)

ENGINEERING (1)
British Steam
PROPERTY (1)
Corn Exchange
TEXTILES (1)
Atkins Bros.

NEW LOWS (116)

BRITISH FUNDS (21)
FOREIGN BONDS (3)
AMERICANS (16)
CANADIANS (6)
BANKS (5)
BEERS (1)
BUILDINGS (8)
DRAPERY & STORES (3)
ELECTRICALS (2)
ENGINEERING (11)
FOODS (1)
INDUSTRIALS (16)
INSURANCE (1)
MOTORS (4)
PAPER & PRINTING (1)
PROPERTY (1)
TEXTILES (9)
TRUSTS (22)
OVERSEAS TRADERS (1)
MINES (8)

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p:	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
60	F.P.	11/7	91	75	B & Q (Retail) 5p	78	+2	3.46	2.8	3.2	16.7
‡118	F.P.	—	207	127½	††Baker (John)	120	−5	12.0	—	9.9	—
‡‡	F.P.	22/6	63	61	Fulcrum Inv. Income	51½	—	64.0	—	11.6	—
‡‡	F.P.	22/6	4½	3	Do. Capital 2½p	3¼	−¼	—	—	—	—
‡5	F.P.	—	57½	36	Rock Darham	36	—	—	—	—	—

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
20p	F.P.	11/5	21¼p	17p	How'rd Wyndh'm 9% Cnv. Cum. Red. Prf.	17p	[illegible]
100	F.P.	27/7	107½	107	Kwik-Fit (Tyres) 8% Cnv. Ln. 1978/86	[illegible]	[illegible]
100	[illegible]	25/6	2pm	1pm	[illegible]	[illegible]	[illegible]
100	[illegible]	[illegible]	[illegible]	[illegible]	Portsmouth Water [illegible] Red. Prf. 1984	[illegible]	[illegible]
100	F.P.	11/6	118½	105	Slough Ests. 8% Cnv. 1991-94	106	+1
98	[illegible]	[illegible]	[illegible]	[illegible]	York Water [illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p:	+ or −
25	F.P.	[illegible]	[illegible]	40pm	Edwards (Louis C.)	44pm	−2
126	Nil	[illegible]	[illegible]	10pm	Grand Metropolitan	10½pm	−1½
12	F.P.	[illegible]	[illegible]	[illegible]	Hampton Trust	[illegible]	[illegible]
100	Nil	[illegible]	[illegible]	3pm	Intl. Timber	[illegible]	[illegible]
154	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
85	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
210	Nil	[illegible]	[illegible]	[illegible]	Peterson Tenacious	[illegible]	[illegible]
20	F.P.	[illegible]	[illegible]	[illegible]	P.M.A. Holdings	[illegible]	[illegible]
118	F.P.	[illegible]	[illegible]	[illegible]	Provincial Laundries	[illegible]	[illegible]
60	Nil	[illegible]	[illegible]	[illegible]	Pullman (R. & J.)	104	+4
115	F.P.	[illegible]	[illegible]	[illegible]	Scooters	[illegible]	[illegible]
225	Nil	[illegible]	[illegible]	[illegible]	Simon Engineering	[illegible]	[illegible]
150	Nil	[illegible]	[illegible]	[illegible]	Smurfit (Jefferson)	[illegible]	[illegible]
455	F.P.	[illegible]	[illegible]	[illegible]	Standard Chartered Bank	[illegible]	[illegible]
138	F.P.	[illegible]	[illegible]	[illegible]	Thomas (Thomas)	[illegible]	[illegible]
175	F.P.	[illegible]	[illegible]	[illegible]	Tricentrol	[illegible]	[illegible]
98	F.P.	[illegible]	[illegible]	[illegible]	U.D.S.	94	+1
20	Nil	[illegible]	[illegible]	1pm	Weeks Associates	2pm	+1

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 income shares and 10 capital shares at 125p per unit.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

No.	Group	Fri., June 15, 1979 Index No.
1	CAPITAL GOODS (172)	247.08
2	Building Materials (27)	231.22
3	Contracting, Construction (28)	362.90
4	Electricals (14)	588.36
5	Engineering Contractors (12)	364.69
6	Mechanical Engineering (75)	187.31
8	Metals and Metal Forming (16)	168.84
	CONSUMER GOODS	
11	(DURABLE) (52)	230.97
12	Lt. Electronics, Radio, TV (16)	314.46
13	Household Goods (12)	163.19
14	Motors and Distributors (24)	118.36
	CONSUMER GOODS	
21	(NON-DURABLE) (171)	234.21
22	Breweries (14)	271.67
23	Wines and Spirits (6)	305.03
24	Entertainment, Catering (17)	304.65
25	Food Manufacturing (19)	216.38
26	Food Retailing (15)	292.65
32	Newspapers, Publishing (12)	423.84
33	Packaging and Paper (15)	154.07
34	Stores (41)	235.13
35	Textiles (23)	165.13
36	Tobaccos (3)	234.11
37	Toys and Games (6)	73.15
41	OTHER GROUPS (99)	203.20
42	Chemicals (18)	285.30
43	Pharmaceutical Products (7)	218.46
44	Office Equipment (6)	152.09
45	Shipping (10)	461.26
46	Miscellaneous (58)	241.78
49	INDUSTRIAL GROUP (494)	236.83
51	Oils (6)	643.36
59	500 SHARE INDEX	265.31
61	FINANCIAL GROUP (115)	190.92
62	Banks (6)	234.23
63	Discount Houses (10)	245.29
64	Hire Purchase (5)	164.62
65	Insurance (Life) (10)	159.68
66	Insurance (Composite) (8)	126.73
67	Insurance Brokers (10)	276.86
68	Merchant Banks (14)	97.16
69	Property (42)	332.60
70	Miscellaneous (10)	120.97
71	Investment Trusts (111)	213.46
81	Mining Finance (4)	129.73
91	Overseas Traders (20)	355.64
99	ALL-SHARE INDEX (750)	247.97

FIXED INTEREST PRICE INDICES

	British Government	Fri. June 15	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	103.89	−0.19	—	4.56
2	5-15 years	112.05	−0.19	0.58	5.62
3	Over 15 years	[illegible]	[illegible]	[illegible]	[illegible]
4	Irredeemables	127.20	−0.38	—	6.30
5	All stocks	111.05	−0.19	0.44	5.56

FIXED INTEREST YIELDS — Br. Govt. Av. Gross Red.

			Fri. June 15	Thurs. June 14	Year ago (approx.)
1	Low Coupons	5 years	10.86	10.76	[illegible]
2		15 years	[illegible]	[illegible]	[illegible]
3		25 years	[illegible]	[illegible]	[illegible]
4	Medium Coupons	5 years	[illegible]	[illegible]	[illegible]
5		15 years	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]

		Fri., June 15 Index No.	Yield %
15	20-yr. Red. Deb. & Loans (15)	56.42	[illegible]
16	Investment Trust Prefs. (15)	51.78	[illegible]
17	Coml. and Indl. Prefs. (20)	71.05	[illegible]

Equity Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77
Other Groups	31/12/74	63.75
Overseas Traders	31/12/74	100.00
Engineering Contractors	31/12/71	153.84
Mechanical Engineering	31/12/71	153.84
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	128.20
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00
British Government	31/12/75	100.00
Debs. & Loans	31/12/77	100.00
Preference	31/12/77	76.72

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 13p, by post 22p. A fortnightly record of group and subsection indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4, at £10 per copy.

CONSTITUENT CHANGE: Scottish and Universal Investments has been replaced by Giltspur (Miscellaneous Unclassified).

NAME CHANGE: Trust Houses Forte has changed its name to Trusthouse Forte (Entertainment, Catering).

AUTHORISED UNIT TRUSTS

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund	US$7.62		.....	—

Net asset value June 6.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Gilt Edg.Fd.	£12.07	12.08	-0.30	12.23

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077

Cap. Tst. (Jersey)	120.124	—	.....	8.06

Next dealing June 18.

Gov't Secs. Tst.	95.0	99.0	.....	12.63

Next dealing June 18.

East &Intl.Tst.(CI)	100	107	.....	3.50

Next dealing date June 28

Australian Selection Fund NV
Market Opportunities, c/o Irish Young & Outhwaite, 127 Kent St., Sydney

US$1 Shares	$US1.49		.....	—

Net asset value November 24.

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	112.15	112.73	+0.30	6.21

Prices at June 13. Next sub. day June 20.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Brussels

Renta Fund	$US57.33	59.10	-0.02	8.00

Barbican Managers (Jersey) Ltd.
P.O. Box 63, St. Helier, Jersey 0534 74806

Barb. Int. Fund	87.4	92.7	.....	4.50

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Overseas Income	47.3	49.7	-1.8	12.75
Unidollar Trust	$US11.74	12.34	.....	1.66
Unibond Trust	$US98.10	99.03	.....	9.00

1, Thomas St., Douglas, Isle o.Man. 0624 4856

Kemp-Gee Managemt. Jersey Ltd.
1 Charing Cross, St. Helier, Jersey. 0534 73741

Capital Fund	120.0	123.7	+1.8	—
Income Fund	67.5	69.6	-0.8	9.06
Gilt Bond	£1,015	1,069	.....	—

Keyser Ullmann Ltd.
25, Milk Street, EC2V 8JE. 01-606 7070

Fonselex	Fr1,320	1,452	.....	2.40
Bondselex	Fr118.70	124.60	.....	2.40
Cent. Assets	£146.33	146.40	+0.07	—

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Grnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856

Gilt Fund (Jersey)	9.46	9.53	.....	11.75
Gilt Trust (I.o.M.)	108.8	111.9	.....	11.75
Gilt Fnd. Guernsey	9.64	9.70	.....	11.75

Intl. Govt. Secs. Tst.

First Sterling	£19.07	19.12	.....	—
First Intl.	[illegible]	212.38	.....	—

Kleinwort Benson Limited
20, Fenchurch St., EC3. 01-623 8000

Eurinvest. Lux. F.	1,090		-7	4.40
Guernsey Inc.	70.9	75.1	.....	2.96
Do. Accum.	90.2	95.5	.....	2.96
KB Far East Fd.	US$13.16		.....	2.28
KB Gilt Fund	£11.26	11.33	.....	10.60
KB Intl. Fund	$US12.53		.....	1.23
KB Japan Fund	US$30.83		.....	0.97
K.B. U.S. Gwth. Fd.	$US13.18		.....	1.59
Signet Bermuda	US$5.30		.....	1.70
K. B. Int. Bd. Fd.	$104.40		.....	—

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey. 0534 27561

Lloyds Tst. O'seas	52.1	54.8	-1.6	2.26

Next dealing July 16.

Lloyds Trust Gilt	£10.40	10.91	.....	11.50

Next dealing June 20.

Lloyds Bank International, Geneva
P.O. Box 438, 1211 Geneve 11 (Switzerland)

[illegible]

P.O. Box 98, Channel House, Jersey. 0534 73673

Jersey Extrnl. Tst.	£1.52	1.62	.....	—

A at May 31. Next sub. day June 29.

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	HK$338.27		.....	2.30
Jardine J'pn.Fd.*	HK$372.50		.....	0.09
Jardine S.E.A.	US$17.42		.....	2.00
Jardine Flem. Int.	US$12.77		.....	0.80
Intl.Pac.Secs.(Inc.)	US$13.44		.....	1.30
Do. (Accum.)	US$13.63		.....	—

NAV May 14. *Equiv. US$73.11.
Next sub. day June 15.

Leopold Joseph & Sons (Guernsey)
Hirzel Ct., St. Peter Port, Guernsey. 0481-26648.

L.J. Sterling Fund	£10.07	10.08	.....	—

Gr.St.$Fd. May 31	US$7.94		.....	—
Mrc.EuroBd Je13	US$10.69	10.80	.....	0.4081
Merc.Mny.Mkt.Jun11	£10.81	10.83	.....	—

Warburg Invest. Mngt. Jrsy. Ltd.
1, Charing Cross, St. Helier, Jsy.C1 0534 73741

CMF Ltd. May 31	$US13.33	13.67	.....	2.90
CMT Ltd. May 31	£13.46	13.81	.....	2.80
Metals Tst. May 17	£16.00	16.40	.....	5.46
TMT May 10	US$10.67	10.94	.....	2.84
T.M.T. Ltd. May 10	£10.71	10.99	.....	1.06

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	US$17.83		-0.38	—

Wren Commodity Trust
10, St. George's St., Douglas IoM 0624 25015

Wren Commod. Tst.	38.0	38.4	.....	—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. #. Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

High	Low	Stock	Price	+ or −	Int.	Red. Yield
103¾	58¾	FFI 13pc 1981	99	−¼	13.13	13.64
107	100	Do. 14pc '79	101	......	14.24	—
108¾	98¾	Do. 14pc '83	101½	−1¼	13.73	13.52
86½	77½	ICFC 5½pc Deb. '80-82	82½	+½	6.70	12.60
85	71½	Do. 6¾pc Db. '81-84	75½	+½	8.27	12.60
99	84½	Do. 10¼pc Uns. Ln. '86	89xd	−1	11.79	13.00
99	84½	Do. 11pc Uns. Ln. '88	89½xd	−½	12.29	12.80
101½	84	Do. 11¾pc Uns. Ln. '90	92xd	−1	12.77	13.20
72½	57	Do. 7¼pc A Db. '89-92	64xd	......	11.32	13.00
69	53½	Do. 7¼pc A Db. '91-94	64	......	11.68	13.00
81½	64½	Do. 9pc 'A' '91-94	75½	−½	13.30	13.10
78½	62½	Do. 8pc Ln. '92-97	73	−1	12.75	13.30
101	96½	Do. 12pc Uns. Ln. 1992	96½	−½	—	13.22

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 12¼% (based on US$2.1026 per £)
Conversion factor 0.8912 (0.8922)

CANADIANS

S.E. List Premium 12¼% (based on $2.4621 per £)

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
£24¼	£19	Cred. France F75	£19	......	Q9.87%	—	3.4	—
16	13	Dawes (G. R.)	13	......	—	—	—	—
£121	£75½	Deutsche Bank DM50	£75½	......	Q18%	—	3.1	—
90	63	F. C. Finance	68	−4	2.2	4.9	4.8	6.3
8¼	5¼	First Nat. 10p	6¾	......	—	—	—	0.5
4	2	Do. Wrts. 75-83	3	......	—	—	—	—
16¾	13½	Fraser Ans. 10p	14	−½	—	—	—	—
252	178	Gerrard Natnl.	232	......	9.12	—	5.9	—
62	45	Gibbs (A.)	46	−1	2.2	—	7.1	—
270	217	Gillett Bros. £1	258	......	16.95	—	9.8	—
29	19	Goode D't Mry. 5p	24	......	0.25	—	1.6	—
153	116	Grindlays	131	......	3.07	7.5	3.5	4.1
120	97	Guinness Peat	98	+1	H5.67	—	8.6	—
330	173	Hambros	280	−2	†9.76	—	5.2	—

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICAL AND RADIO

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10, Cannon Street, London EC4P 4BY
Telex: Editorial 886341/2, 883897. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.
Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 12171 Tel: 240 555
Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Bonn: Presshaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039
Brussels: 39 Rue Ducale. Telex 23283 Tel: 512-9037
Cairo: P.O. Box 2040. Tel: 938510
Dublin: 8 Fitzwilliam Square. Telex 5414 Tel: 785321
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120
Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545
Lisbon: Praca de Alegria 58-1D, Lisbon 2. Telex 12533 Tel: 362 508
Madrid: Espronceda 32, Madrid 3. Tel: 441 6772
Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381
Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex 7900 Tel: 243 1635
New York: 75 Rockefeller Plaza, N.Y. 10019. Telex 66390 Tel: (212) 541 4625
Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.57.43
Rio de Janeiro: Avenida Pres. Vargas 418-10. Tel: 253 4848
Rome: Via della Mercede 55. Telex 610032 Tel: 678 3314
Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex 17603 Tel: 50 60 88
Tehran: P.O. Box 11-1879. Telex 213930 Tel: 682698
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Telex J 27104 Tel: 241 2920
Washington: 2nd Floor, 1325 E. Street, N.W., Washington D.C. 20004 Telex 440340 Tel: (202) 47 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4139
Leeds: Permanent House, The Headrow. Tel: 0532 454969
Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381
New York: 75 Rockefeller Plaza, N.Y. 10019 Telex 238409 Tel: (212) 489 8300
Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01
Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex J27104 Tel: 295 4050

Overseas advertisement representatives in Central and South America, Africa, the Middle East, Asia and the Far East.
For further details, please contact:
Overseas Advertisement Department,
Financial Times, Bracken House, 10, Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription Department, Financial Times, London

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

INDUSTRIALS—Continued

INSURANCE

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

FINANCE, LAND—Continued

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

1979 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's
400	355	Lawrie Plants £1	398	......	6.15	—	5.6
330	223	McLeod Russel £1	265	-25	13.5	φ	7.6
390	330	Moran £1	360	......	15.0	1.2	6.2
		For Single Hldgs. see Foods					
152	109	Warren Plants	145	+3	8.25	φ	8.9
220	157	Williamson £1	170	-5	12.5	4.2	11.0

Sri Lanka

1979 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's
315	230	Lunuva £1	305	......	10.0	1.1	4.9

Africa

1979 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's
165	125	Blantyre	125	-5	6.0	φ	7.2
155	125	Ruo Estates	125	......	9.0	φ	10.7

MINES

CENTRAL RAND

1979 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's
637	270	Durban Deep R1	468	+1	†Q50c	5.2	6.6
557	235	East Rand Prp. R1	461	+7	†Q10c	—	1.5
£36	£22⅝	Randfont'n Est. R2	£27	......	†Q450c	3.0	10.4
190	91	West Rand R1	155	......	Q17½c	4.2	6.9

EASTERN RAND

1979 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's
107	62	Bracken 90c	79	......	†Q44c	1.4	33.3
38	16	East Dagga R1	25	+1	Q25c	0.3	99.6
329	215	E.R.G.O. R0.50	251	......	Q25c	1.7	6.0
192	85½	Grootvlei 25c	163	+3	Q38c	1.2	13.9
383	247	Kinross R1	331	+5	†Q55c	1.8	9.9
80	50	Leslie 65c	68	+1	†Q21c	1.2	18.4
143	66	Marievale R0.25	122	-1	†Q70c	0.8	44.5
124	55	S. African Ld. 35c	104	......	Q25c	1.0	14.4
87	39	Viakfontein 90c	73	+1	sQ10c	1.2	8.2
851	515	Winkelhaak R1	651	+14	†Q129c	1.8	11.5
65	31½	Wit. Nigel 25c	50	+1	—	—	—

FAR WEST RAND

1979 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's
447	253	Blyvoor 25	366	+8	Q105c	φ	18.4
£10⅜	664	Buffels	855	-6	Q200c	φ	14.5
204	88	Deelkraal R0.20	167	-1	—	—	—
426	216	Doornfontein R1	353	+1	Q60c	φ	10.6
918	562	East Drie R1	768	+16	†Q115c	1.6	9.2
429	216	Elandsrand Gld. 20c	374	+3	—	—	—
125	70	Elsburg R1	101	-1	†Q13c	1.0	7.9
£20¾	£11	Hartebeest R1	£17⅜	+⅛	Q400c	φ	14.7
837	483	Kloof Gold R1	715	+21	Q110c	φ	9.6
734	414	Libanon R1	668	+1	Q150c	φ	14.3
702	422	Southvaal 50c	588	+1	Q57c	1.1	5.8
450	291	Stilfontein 50c	364	+1	†Q66c	1.7	11.5
£19½	£12⅜	Vaal Reefs 50c	£17⅛	+½	Q280c	2.7	9.8
314	140	Venterspost R1	251	......	Q45c	φ	11.3
£29¾	£17¼	W. Drie R1	£26⅛	+⅝	Q615c	φ	15.1
187	109	Western Areas R1	155	-2	†Q20c	3.2	8.0
992	611	Western Deep R2	855	+1	Q147½c	2.1	10.3
338	185	Zandpan R1	294	......	Q67c	φ	15.0

O.F.S.

1979 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's
140	90	Free State Dev. 50c	125	......	†Q12c	2.0	5.7
£18	£12⅝	F.S. Geduld 50c	£13¾	......	†Q315c	2.4	14.2
129	59	F.S. Saaiplaas R1	98	-1	—	—	—
465	265	Harmony 50c	387	+3	Q90c	φ	13.9
117	61	Loraine R1	91	......	—	—	—
£10⅝	750	Pres. Brand 50c	962	+28	†Q150c	3.2	9.3
948	566	Pres. Steyn 50c	802	+21	†Q80c	3.3	6.0
£10½	603	St. Helena R1	869	+8	†Q190c	1.4	13.1
523	185	Unisel	280	+10	—	—	—
355	245	Welkom 50c	321	+6	†Q65c	1.6	12.1
£22	£15¾	W. Holdings 50c	£18⅜	+⅛	†Q415c	1.4	13.5

FINANCE

1979 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's
£11¼	850	Ang. Am. Coal 50c	850	......	Q72c	[illegible]	4.5
454	300	Anglo Amer. 10c	392	+1	Q46c	[illegible]	7.2
£23⅞	£14⅜	Ang. Am. Gold R1	£19⅜	......	Q250c	[illegible]	7.7
£15	800	Ang-Vaal 50c	£11¾	+¼	Q150c	[illegible]	7.9
175	130	Charter Cons.	144	......	8.45	[illegible]	8.7
268	178	Cons. Gold Fields	239	+1	†9.19	[illegible]	5.7
23½	17½	East Rand Con. 10p	21	......	1.05	[illegible]	7.5
640	355	Gen. Mining 40c	540	+10	Q60c	2.0	6.6
£21¾	£11⅝	Gold Fields S.A. 25c	£19⅛	+⅛	†Q135c	[illegible]	4.2
£20½	£13½	Jo'burg Cons. R2	£17	-½	†Q170c	3.3	6.0
305	150	Middle Wit 25c	265	......	Q35c	φ	8.2
95	64	Mincorp 12½p	95#	......	1.5	0.9	2.4
230	153	Minorco $BD1.40	153	-1	Q12c	1.5	4.0
163	98	New Wit 50c	144	......	†Q16c	1.7	5.8
£12⅞	£10⅜	Patino NV Fls.5	£10½	+⅛	QC50c	φ	2.8
73	41	Rand London 15c	58	-5	†Q10c	3.0	10.5
596	442	Selection Trust	550	-2	20.84	1.5	5.7
275	168	Sentrust 10c	232	......	Q38c	φ	10.2
45	36	Silvermines 2½p	40	-2	†2.54	1.7	†
194	159	Tanks Con. 50p	184	-2	Q10.0	φ	5.6
92	68	Do. Pref. 80p	88	......	Q9%	16.3	8.2
£20¼	£10⅝	T'vaal.Cons.Ld.R1	£16½	......	†Q125c	3.3	4.5
365	215	U.C. Invest R1	312	+4	Q42c	1.5	7.8
468	255	Union Corpn. 6.25c	394	-3	Q47c	2.1	7.1
100	55	Vogels 2½c	82	-11	Q12c	1.3	9.1

DIAMOND AND PLATINUM

1979 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's
£49¾	£35	Anglo-Am.Inv.50c	£43½	......	Q750c	1.1	10.3
482	366	De Beers Df. 5c	396	......	Q65c	3.0	9.8
£11	950	Do. 40pc Pf. R5.	950	-50	Q200c	49.7	12.6
240	170	Impala Plat. 20c	196	-4	†Q18.4c	3.2	5.6
111	66	Lydenburg 12½c	83	-3	†Q6.8c	0.9	4.9
177	94	Rus. Plat. 10c	134	+1	Q8c	2.7	3.6

CENTRAL AFRICAN

1979 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's
320	132	Falcon Rh.50c	290	......	†Q60c	1.7	15.1
35	11	Rhod'n Corp. 16⅔p	30	......	0.56	6.5	2.8
135	70	Roan Cons. K4	105	......	—	—	—
61	26	Wankie Col. Rh.1	56	......	Q8c	1.9	11.7
15	10½	Zam.Cpr.SBD0.24	10½	......	—	—	—

MINES—Continued

AUSTRALIAN

1979 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's
40	22	Nth. West Mining	25	......	—	—	—
137	84	Oakbridge SA1	90	......	Q12c	1.9	7.8
37	22	Otter N. L.	25	-1	—	—	—
120	58	Pacific Copper	72	......	—	—	—
$10¼	625	Pancont'l 25c	675	-12	—	—	—
25¼	15½	Parings M&Ex.5p	15½	-1	—	—	—
510	278	Peko-Wallsend 50c	278	-12	Q15c	3.3	3.1
285	145	Southern Pacific	225	-8	—	—	—
188	128	Westn. Mining 50c	130	+2	†Q3c	0.7	1.3
11	9	Westmex	10	......	—	—	—
65	50	Whim Creek 20c	50	......	—	—	—
25	13	York Resources	13	......	—	—	—

TINS

1979 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	27	......	2.81	1.3	15.5
435	305	Ayer Hitam $M1	305	-10	Q30c	0.5	21.1
72	51	Beralt Tin	57	......	4.0	3.3	10.5
270	200	Berjuntai $M1	200	-5	†Q110c	1.0	13.3
160	145	Geevor	148	+3	$5.57	φ	5.9
10½	8	Gold & Base 12½p	10½	......	—	—	—
365	295	Gopeng Cons.	345	......	†18.0	1.4	7.8
370	295	Hongkong	360	......	†12.5	2.8	5.6
98	64	Idris 10p	90	-3	8.0	φ	13.3
14	9½	Jantar 12½p	10	......	—	—	—
95	66	Kamunting $M0.50	75	-2	†Q12.5c	2.1	3.6
620	210	Killinghall $M1	370	......	—	—	—
465	365	Malay Dredging $M1	410	-5	†175c	0.7	9.2
57	34	ΔPahang	34	......	—	—	—
123	60	Pengkalen 10p	110	......	4.5	1.2	6.1
275	205	Petaling $M1	245xd	-5	†Q120c	1.3	10.5
85	72	Saint Piran	75	-1	†2.05	6.5	4.0
58	49	South Crofty 10p	49	-2	†4.19	2.0	12.8
230	170	South Kinta $M0.50	190	-5	†Q145c	0.6	16.4
405	285	Sthn Malayan $M1	370	-10	†Q150c	1.0	11.0
310	210	Sungei Besi $M1	265	-10	mQ65c	5.3	5.3
75	50	Supreme Corp. $M1	53	......	Z015c	—	4.1
105	94	Tanjong 15p	100	......	6.60	0.6	9.8
115	95	Tongkah H. Tin	103	-2	†Q24c	0.7	5.2
280	205	Tronoh $M1	205	-5	Q25c	5.2	2.7

COPPER

1979 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's
111	56	Messina R0.50	87	-1	—	—	—

MISCELLANEOUS

1979 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's
81	54	Barymin	70	-2	—	—	—
13½	10	Burma Mines 17½p	13	......	—	—	—
345	170	Cons. Murch. 10c	280	......	Z030c	—	6.7
410	325	Northgate C$1	330	......	—	—	—
362	226	R.T.Z.	298	+4	11.5	2.7	5.8
51	18	Robert Mines	23	+3	—	—	—
65	36	Sabina Inds. C$1	36	......	—	—	—
880	612	Tara Exptn. $1	612	-38	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1979 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's
$17¾	$10½	Buffels R1	$16	-⅛	Q200c	φ	12.6
$15⅛	890c	East Drie R1	$14⅜	+⅛	Q115c	1.6	9.2
950c	350c	East Rand Prp. R1	862c	+12	Q10c	—	1.4
$27	$18¾	F.S. Geduld 50c	$24¾	......	†Q315c	2.4	14.7
$18	$11⅛	Pres. Brand 50c	$18	+½	†Q150c	3.2	9.6
$17⅛	$10¼	St. Helena R1	$16¼	+⅛	Q190c	1.4	15.4
760c	407c	Stilfontein 50c	680c	......	†Q66c	φ	11.8
$32¼	$18¾	Vaal Reefs 50c	$32	+¼	Q280c	2.7	10.0
$50¼	$28¾	West Drie R1	$48½	+½	†Q385c	1.7	9.2
$34½	$22¼	West Hldgs. 50c	$34½	+¼	†Q415c	1.4	13.8
$16¾	$10⅜	Western Deep R2	$16	......	Q147½c	2.1	10.6

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- †† Unlisted security.
- ¤ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ◊ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- ¥ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¢ Excluding a final dividend declaration.
- ✠ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 28

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or -	Stock	Price	+ or -
Albany Inv. 20p	26	......	Sheff. Refrshmt	87	......
Bertam	24	......	Sindall (Wm.)	140	......
Bdg'wtr. Est. 50p	410	......	**IRISH**		
Clover Croft	28	......	Conv. 9% '80/82	£88⅞	-⅛
Craig & Rose £1	£11½	......	Alliance Gas	65	......
Dyson (R. A.) A	40	......	Arnott	400	......
Ellis & McHdy	68	......	Carroll (P.J.)	115	-5
Fife Forge	54	......	Clondalkin	85	......
Finlay Pkg. 5p	19	......	Concrete Prods.	107	......
Graig Ship. £1	255	-5	Heiton (Hldgs.)	81	+1
Higsons Brew	78	-2	Ins. Corp.	217	......
Holt (Jos) 25p	260	......	Irish Ropes	90	......
I.O.M. Stm. £1	164	......	Jacob	44	-1
Pearce (C. H.)	235	......	T.M.G.	202	......
Peel Mills	30	......	Unidare	85	......

OPTIONS
3-month Call Rates

Industrials					
A. Brew	9	I.C.I.	24	Unilever	55
EDC Intl.	6	"Imps"	8	U.D.T.	5
B.S.R.	7	I.C.L.	55	Utd. Drapery	10
Babcock	18	Inveresk	7	Vickers	18
Barclays Bank	32	KCA	5	Woolworths	7½
Beecham	52	Ladbroke	22		
Blue Circle	18	Legal & Gen.	14	**Property**	
Boots	10	Lex Service	11	Brit. Land	7½
Bowaters	18	Lloyds Bank	25	Cap. Counties	9
B.A.T.	28	"Lots"	5	Land Secs.	25
Brown (J.)	50	London Brick	7	MEPC	17
Burton 'A'	26	Lonrho	8	Peachey	13
Cadburys	7	Lucas Inds.	25	Samuel Props.	14
Courtaulds	10	"Mams"	18	Town & City	2¼
Debenhams	8	Mrks. & Spncr	11		
Distillers	21	Midland Bank	30	**Oils**	
Dunlop	6½	N.E.I.	14	Brit. Petroleum	100
Eagle Star	14	Nat. West. Bank	28	Burmah Oil	13
E.M.I.	12	Do. Warrants	15	Charterhall	5
Gen. Accident	21	P & O Dfd.	10	Premier	5
Gen. Electric	35	Plessey	10	Shell	25
Glaxo	50	R.H.M.	5	Ultramar	25
Grand Met.	14	Rank Org.	25		
G.U.S. 'A'	50	Reed Intnl.	18	**Mines**	
Guardian	24	Sears	5½	Charter Cons.	16
G.K.N.	26	Sellers	4½	Cons. Gold	20
Hawker Sidd	26	Tesco	7	Rio T. Zinc	27
House of Fraser	18	Thorn	35		
		Trust Houses	17		
		Tube Invest.	30		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Saturday June 16 1979

MAN OF THE WEEK

Car maker to the world

BY JOHN WYLES AND STEWART FLEMING

THERE HAS long been an air of episcopal solemnity at General Motors which has always seemed appropriate to a giant corporation whose mission is to sell more and better cars to the world than any of its rivals. This week's announcement of a $2bn investment in new plants in Austria and Spain underlines GM's determination to take its overseas duties more seriously than ever before.

Broadly responsible for this development is Elliott Marantette Estes, a flamboyant, mustachioed 63-year-old extrovert whose personality has always seemed slightly at odds with the more sober, well-regulated, bureaucratic GM. "Pete" Estes, as he has been known for the past 40 years, is number two to GM's chairman and chief executive Thomas Aquinas Murphy, a tall, lean 63-year-old with all the dignity and slightly world-weary charm

Elliott M. Estes
A flamboyant extrovert

needed to chair the six-man college of cardinals, otherwise known as an executive committee which runs the day-to-day affairs of this giant company.

But Estes and Murphy constitute the "normal" top duo at GM which since the days of its legendary chairman Alfred P. Sloan has required that one of its top two executives should be an engineer. Of obvious delight to Estes the engineer is that his four years in the presidency have been a time in which the engineer's importance to Detroit has been dramatically elevated by the Government's legislated demand for more fuel efficient, less environmentally damaging, vehicles. GM is fleet of foot for one so large and in fact identified the need for better fuel economy in its vehicles in 1972, before the Arab oil embargo brought greater urgency to the task. Under Estes, a comprehensive, massively expensive programme of designing smaller lightweight cars has slowly been bearing fruit so that in April GM was able to unveil its first completely new line of compact, front wheel drive, fuel economical cars.

While these efforts have never lacked public attention, other less advertised decisions were being taken. Estes's appointment was unusual in that he took charge of international operations as soon as he moved behind the president's desk. Significantly this had been the responsibility of Thomas Murphy before he moved up to the chairmanship in 1974. Clearly he and Estes found themselves totally agreed that it was insupportable that America's largest corporation should be of less significance overseas than Ford Motor Company whose share of the domestically produced U.S. car market is no less than 30 points smaller than GM's.

Without any throwing down of gauntlets, the great GM machine has started to move. A year ago the headquarters of its overseas operations were moved from New York to Detroit, and the overseas divisions were elevated within the corporate hierarchy. The tight embrace of the Detroit headquarters was a clear indication of new priorities and of the determined development of the "world car," designed for simultaneous production around the globe. GM's J car, now under development, is emerging as a prototype world car and will almost certainly be produced in the new plants in Spain and Austria.

GM's careful teamwork, its thoughtful and thorough planning procedures and its ability to nurture the exuberant Estes as well as a restrained Murphy make it one of the most formidable competitors that modern capitalism has yet seen.

Cash sought for new-style TV

BY MAX WILKINSON

SINCLAIR RADIONICS, the calculator and pocket television manufacturer, controlled by the National Enterprise Board, is seeking a major injection of capital so it can produce a revolutionary flat-screen television set.

A huge research effort has been made by television manufacturers throughout the world, particularly in Japan, to try to produce a flat screen set. Several Japanese prototypes have been demonstrated, but Mr. Clive Sinclair, chairman and founder of the company, says its device has markedly superior clarity of reproduction and potential for low-cost mass production.

The first version probably will be a 3 in portable black-and-white set about the size of a paperback book.

But Sinclair believes it can be developed into a full colour receiver, perhaps 4 ft wide. A flat-screen set could be less than an inch deep and could be hung on a wall like a picture.

Mr. Sinclair said he believed these sets could eventually be produced at prices competitive with those of the conventional cathode ray tube.

Cathode ray tubes require high power to propel electrons from a gun in the neck of the tube through a vacuum on to the screen.

Sinclair's flat screen, on the other hand, runs on much lower power and is only three-quarters of an inch thick.

The company has produced a prototype three-inch pocket set and is now looking for a partner to help it set up a production line capable of producing several million screens a year.

Mr. Sinclair says high volume production and world wide marketing is the key to bringing down the price so that the new set would be competitive with the present microvision sets selling at just under £100. He hopes volume production can be achieved in about two years.

Negotiations are said to be at an advanced stage with a potential partner, but no deal has yet been made. Mr. Sinclair said there had been no talks with Japanese companies.

The National Enterprise Board has invested £4.5m in the company, which last year lost £1.96m on a turnover of £6.39m. The board is believed to have said that it is not prepared to put up all the capital needed for Sinclair to bring the flat screen set to the market. It appears to have indicated that Sinclair should seek a partner with greater production and marketing strength.

Yesterday, Sinclair announced that it is to close its factory at St. Ives, Cambridgeshire, which makes the present Microvision. Production of this will be transferred to a place as yet unnamed, probably under the wing of the new partner. There will be 160 redundancies.

In preparation for the re-organisation, Sinclair has split off its instrument division, which will become a separata company.

Industrial output recovers

BY DAVID FREUD

INDUSTRIAL production has recovered much of the loss caused by the winter disruption and is near the peak levels of last summer.

According to figures released yesterday by the Central Statistical Office, output was at an all-time high in April.

The recovery suggests that the strong consumer demand after the January slowdown has worked through to the industrial sector.

Officials in Whitehall, however, remain cautious as to whether the improvement will be sustained in the near future. In the longer-term the Treasury has predicted a fall in the level of output.

The all-industries index of production rose in April by 2.2 per cent to 115.0 (1975=100, seasonally adjusted). This brought average output for the first four months of the year—including the poor January performance—to 110.4, slightly higher than the 110.0 of the previous quarter.

INDUSTRIAL PRODUCTION
1975=100, seasonally adjusted

		All-industries	Manufctg.
1977	1st	105.6	103.9
	2nd	105.5	102.4
	3rd	106.2	103.0
	4th	105.8	101.8
1978	1st	107.0	102.3
	2nd	110.7	104.5
	3rd	111.5	105.2
	4th	110.0	102.6
	Nov.	109.8	102.5
	Dec.	111.5	103.7
1979	1st	108.9	101.4
	Jan.	103.4	93.4
	Feb.	110.7	103.5
	Mar.	112.5	107.3
	April	115.0	106.8

Source: Central Statistical Office

The January-April out-turn, however, remained below the average for the second half of 1978, which included the buoyant late summer period.

The index for manufacturing dropped back slightly in April from the very high level in March, when the bulk of the recovery seems to have been made. The index was 0.5 per cent down at 106.8.

The further gain in industrial output in April was more broadly based than previously, with strong performances in North Sea oil, chemicals, metal manufacture, construction and associated industries, textiles and clothing, and instrument and electrical engineering.

Sectors in which output remained low included beer, cars and chemical engineering.

There was strong growth in investment goods industries, whose output over the first four months of the year was running above last year's peak levels in the summer months.

Taking the latest three months together the all-industries index was about 4 per cent higher than the same period in 1978, while the equivalent gain for manufacturing industries was 2½ per cent.

Chemical pay talks collapse

BY NICK GARNETT, LABOUR STAFF

NATIONAL pay neotiations for chemical industry process workers broke down yesterday after employers refused to make any substantial improvement in an estimated 14½ per cent offer.

A considerable number of the 280 companies covered by national negotiations, which cover all major manufacturers except ICI, now face almost certain industrial action.

All negotiations will revert to company level unless the Chemical Industries Association, the employers' representative body, changes its position.

Negotiators for the industry's two biggest unions, the Transport and General and the General and Municipal, will now recommend to their executives that shop stewards be given plenary powers where their members in individual companies decide on industrial action. This would automatically make such action official.

Yesterday's talks followed an overwhelming rejection by the 60,000 workforce of the previous offer which would have improved the national minimum rate from £45.60 to £53.30. With shift pay and other improvements, the offer was worth 14½ per cent. A settlement was due on May 1.

Although the industry has a two-tier pay structure with companies also negotiating locally, the overall industry settlement tends to reflect closely the size of the national deal.

Mr. John Miller, secretary of the union side, said the association was prepared to make a marginal improvement but that was insufficient. There was a "substantial difference" between the two sides.

He said the employers had also indicated that in return for a marginal pay improvement, they would withdraw an offer that workers in individual companies could negotiate reduced hours where those companies were introducing fundamental new technology.

That offer caused considerable anger among many members of the association.

Union negotiators said shop stewards would be required to ensure that any local settlement was at or above the national claim of a minimum rate of £65.

S. Africa may act on Namibia deadlock

By Our Foreign Staff

MR. R. F. "PIK" BOTHA, the South African Foreign Minister, is likely to visit London shortly as part nf a fresh move to break the deadlock over an international settlement in Namibia.

After holding talks with the British Government, Mr. Botha may fly on to Bonn for discussions with the West German administration. The UK and West Germany, together with the U.S., France and Canada, are members af the five-power Western "contact group," which has been trying for more than two years to achieve an international settlement in Namibia.

Unconfirmed

The Foreign Office wonld not confirm the visit, but tha move follows talks on Namibia held in Cape Town last month between Mr. Botha and Mr. Richard Luce, a junior Fareign Office Minister.

The UN General Assemhly recently urged the Security Council to impase sanctians on South Africa because of its rejection of final plans far a UN-supervised transfer of power in the territary. African nations might press soon for a meeting of the Security Council to discuss the issue. The Western natians, who would he acutely embarrassed by sanctions demands, are hoping ta resist the call by showing signs of diplomatic progress.

Although the South African government insists that it has accepted in principle the UN plan for Namibia, twa stumbling blocks remain. One concerns a proposal by Dr. Kurt Waldheim, UN Secretary General, that guerrillas belanging to the South West Africa People's Organisation (SWAPO) be allowed to remain armed at "designated locations" within the territory during the election process. The other is the proposal that SWAPO bases in neighbouring Angola and Zambia need not be manitored by UN forces.

There are unlikely ta be any dramatic departures from the UN plan in any fresh talks because of the danger of alienating SWAPO and the African front-line states, which have given it their blessing. Further assurances by the Western five and the front-line states nn an effective ceasefire might saften South Africa's opposition.

Pessimistic

Observers in South Africa remain pessimistic about the chances of reviving the plan. The creatian of a national assemhly in Namibia dominated by the pro-South African Democratic Turnhalle Alliance (DTA) has aroused suspicions that South Africa has decided to press ahead with an internal settlement.

Mr. "Pik" Botha and Mr. P. W. Botha, the South African Prime Minister, yesterday held talks in Pretoria with DTA leaders. These were astensibly on DTA plans to scrap racial discrimination. Bnt such a meeting would he necessary before further international negotiations on the future af the territory.

Rhodesia-Zambia roads may re-open, Page 2

Weather

UK TODAY

DRY WITH some sunshine.

London, Midlands, Channel Is., S.W. England, S. Wales
Dry. Sunny periods. Max 20C (68F).

S.E. England, E. Anglia
Showers. Sunny periods. Max. 18C (64F).

N. Wales, Lakes, Isle of Man, S.W. Scotland
Drizzle. Bright interludes. Max. 18C (64F).

N.E. England, Borders, Aberdeen
Sunny intervals. Rain. Max. 19C (66F).

Rest of Scotland
Occasional rain. Max. 17C (63F).

Outlook: Mostly dry, warmer.

Long-range forecast: Sunny at first. Changeable and wet, mainly in July.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Algiers	C	20	68	London	C	18	64
Amsdm.	R	11	52	Los Ang.	F	30	86
Athens	S	27	81	Luxmbg.	C	15	59
Bahrain	F	37	99	Madrid	S	25	77
Barclna.	S	24	75	Majorca	S	23	73
Beirut	S	25	77	Malta	S	31	88
Belfast	R	13	55	M'chstr	C	13	55
Belgrd.	S	21	70	Melbne.	C	13	55
Berlin	R	15	59	Mex. C.	F	22	72
Bmghm.	R	13	55	Milan	F	25	77
Blackpl.	C	13	55	Mntreal.	F	22	72
Bordx.	C	17	63	Moscow	C	18	64
Boulgn.	C	15	59	Munich	S	20	68
Bristol	C	17	63	Naples	S	26	79
Brussels	C	14	57	Nwcstl.	C	13	55
Budpst.	F	24	75	N. York	F	29	84
B. Aires	S	12	54	Nice	S	24	75
Cairo	S	30	86	Nicosia	S	30	86
Cardiff	C	17	63	Oslo	C	16	61
Cape T.	C	15	59	Paris	F	21	70
Chicago	F	30	86	Perth	C	17	63
Cologne	R	16	61	Prague	C	21	70
Cpnhgn.	F	14	57	Reykjvk.	C	8	46
Dublin	R	14	57	Rome	S	24	75
Dbrvnk.	S	24	75	Salzbrg.	C	17	63
Ednbgh.	C	14	57	S. 'ciaco	C	15	59
Florence	S	26	79	Singpr.	R	28	82
Frankft.	R	15	59	Stckhlm.	F	16	61
Geneva	C	17	63	Strasbg.	C	14	57
Gibrltr.	S	22	72	Sydney	F	19	66
Glasgow	C	14	57	Tehran	S	34	93
G'nsey	R	14	57	Tel Aviv	F	27	81
Helsinki	F	20	68	Tokyo	R	24	75
H. Kong	F	29	84	Toronto	F	26	79
Istanbul	S	22	72	Tunis	S	26	79
Jersey	R	13	55	Venice	S	24	75
Jo'burg	S	19	66	Vienna	S	23	73
L. Pims.	F	22	72	Warsaw	F	21	70
Lisbon	S	22	72	Zurich	R	11	52

C—Cloudy. F—Fair. R—Rain. S—Sunny.

More Fed backing for Eurocurrency controls

BY JOHN WICKS IN BERNE

A U.S. Federal Reserve Board governor yesterday threw his weight behind proposals to tighten control of the Euromarkets, which, he said, posed a mounting threat to monetary policy in major industrialised countries.

Mr. Henry Wallich, said in Berne that central banks whose currencies were held on the Euromarkets were threatened with losing control of money and credit developments.

This trend had begun slowly but was accelerating and could be expected to accelerate further, he told the annual meeting of the association of foreign banks in Switzerland.

Mr. Wallich said the concept of imposing reserve requirements on Eurocurrency deposits—which was proposed by Mr. William Miller, the Fed chairman, at a meeting of central bankers last month—"deserves intense study."

The Euromarkets were likely to pose a mounting threat to domestic monetary policy, and would stimulate inflation as they grew in relation to domestic markets.

Reserve requirements or other restraints imposed on Eurodeposits would help to stop this threat. It was essential that preparations for reserve requirements began now so that "the instrument is examined for the day we wish it were available."

Continued from Page 1

CBI chief's knighthood

Prime Minister who was assassinated by a car bomb at Westminster shortly before the General Election.

Other life peers include Mr. Emlyn Hooson, the Liberal lawyer and MP who lost his Montgomery seat at the last election; Mr. Ralph Harris, director of the Institute of Economic Affairs, a long-time champion of free market economics; and Mr. Hugh Trevor-Roper, the Oxford historian.

Mr. Terence Higgins, former Tory Trade Minister, MP for Worthing, is made a Privy Counsellor; and four Tory backbenchers who retired at the last election are knighted. They are Mr. Reginald Bennett, Mr. Robin Cooke, Mr. Alfred Hall-Davis and Mr. Jasper More.

Mr. Hnrace Cutler, the Tory leader of the Greater London Council, is also knighted.

Civil Service honours include a GCB for Sir Frank Cooper, permanent secretary, Ministry of Defence; and KCBs for Mr. Kenneth Couzens, second permanent secretary at the Treasury, and Mr. Douglas Lovelock, chairman of Customs and Excise.

Two trade union leaders receive awards. Mr. Jim Slater, general secretary of the seamen's union, gets the CBE; and the OBE goes to Mr. Norman Stagg, deputy general secretary of the Post Office workers.

Sir Michael Tippett, the composer, is made a Companion of Honour in the list of honours to the arts.

Mr. Roy Shaw, secretary-general of the Arts Council, and Mr. John Tooley, general administrator, Covent Garden, are knighted.

Short aircraft for commuters

SHORT BROTHERS, the Belfast aircraft manufacturer, plans to develop new commuter aircraft for the mid-1980s.

Mr. Philip Foreman, managing director and chief executive, said at the Paris Air Show that a market survey was underway to determine the needs of commuter aircraft operators into the next decade.

Initial studies suggested that an aircraft with between 30 and 50 seats may he needed.

THE LEX COLUMN

Long and the short and the fall

Tha name of the Chancellor of the Exchequer may have changed hut there is no difference in the pace at which his officials pour out new issues of Government stock. Two days after knocking the market back to a new hase by unloading nearly £800m of a tap stock at a knockdown price, the authorities brought out no less than £1.8bn nf new stock yesterday. There is £800m of Treasury 12 per cent 1984 at 97½, payable as to £50 on application with the rest later, and £1bn of a further tranche of Exchequer 12¼ per cent 1999 with only £15 payable immediately.

The two stocks highlight the strange shape of the yield curve at present. The second, which has a life 15 years longer, yields only about 0.2 per cent more than the first.

The explanation for this, of course, ia that the market does not believe that Minimum Lending Rate will stay at its present crisis level of 14 per cant for more than a month or two. This hope rests on the assumption that the current surge in hank lending, which has recently heen running at an annual rate of well over £8bn, will be stopped in its tracks. All the same, the shorter of the two stocks does not look particularly attractive in current conditions and most of the attention at next Thursday's tender offer at the Bank of England will be focused on the longer issue.

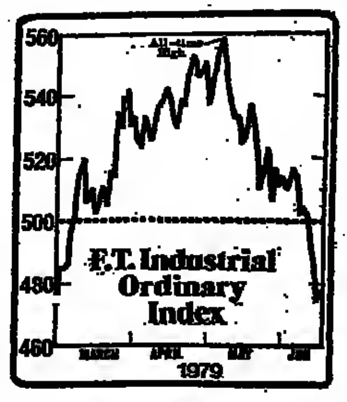
This only needs subscriptions of £150m in cash to be fully subscribed, and the real question is whether foreign buyers will he tempted in as they have on similar occasions in the past few months. Sterling ended the waek on a firm note yesterday, and returns of nearly 13 per cent on Government securities are not obtainable in any other major financial market.

At the same time, there are also few other major financial centres which face an inflation rate of 17½ per cent by the end of 1979. This will make domestic investers wary about buying long bonds at negative real rates of interest, even though inflation should fall back during 1980 and beyond, provided the Government sticks to its guns. But foreign investors are really only concerned about the level of sterling and they may judge that oil will keep that firm for some time to come.

For equities, however, this is all had news. The mooted quickening of inflation, a rise in sterling to still less competitive levels, and the latest jump in interest rates has left the 30-Share Index down another 24.7 points on the week.

This has wiped out virtually all the gains the 30-Share Index had shown earlier in the year. But this is not an accurate guide to the performance of the market as a whole, for the more broadly-based All-Share Index is still holding a gain of 12.6 per cent on its end-December level.

Index rose 4.3 to 478.5



Guinness

After a very good second half in 1977-78, Arthur Guinness's pre-tax profits have jumped by 62 per cent to £23.1m in tha first half of 1978-79. Once again the company's performance caught the stock market off guard and the shares rose 10p to 191p yesterday. Assuming the 15 per cent increase in the interim dividend is carried through to the final, the shares yield 7 per cent.

After several years' stagnation Guinness' brewing profits took off in the first six months af the year, rising by nearly 50 per cent. The non-brewing side also pushed its profits up smartly but it was Guinness' traditional business which caused the profit spurt. In Eire, where Guinness had the benefit of price increases and volume growth of 5 per cent or so, profits jumped by 89 per cent.

In the UK the hrewing performance was less spectacular but profits were modestly ahead and, after years of decline, sales volume of stout for once held their own. However, most of the 38 per cent increase in UK profits came from exports and non-brewing activities.

The other slight surprise in the results was the strength of the Nigerian associate. Although Guinness redneced its shareholding last year the Nigerian contribution is sharply higher, reflecting the benefits of the new stout brewery at Benin. The Nigerian economy may be having its troubles, but the locals do not seem to be drinking any less beer and Guinness has at last got a price increase through.

For the second half Guinness is being rather cautious and saying that profits are unlikely to exceed those of the comparable periad of last year. Aside from the special factor that influenced the first hal[illegible] Guinness will have to cope wit[illegible] a sinking Irish punt. Even s[illegible] full year profits are likely t[illegible] top £52m against £45m [illegible] 1977-78.

Pilkington

Behind Pilkington's excelle[illegible] results for the year to the e[illegible] of March lies the pay-off on t[illegible] company's investments earli[illegible] this decade on float glass plan[illegible] in Australia, Sweden and Sou[illegible] Africa. Overseas sales were [illegible] by a quarter providing a 55 p[illegible] cent increase in overseas tra[illegible] ing profit to £21.3m. In t[illegible] UK, on the other hand, margi[illegible] were under pressure and tra[illegible] ing profit virtually unchang[illegible] at £29.2m despite a hefty r[illegible] in sales. The problems we[illegible] Triplex, where the Ford stri[illegible] is reckoned to have cost £1[illegible] optical glass where the mark[illegible] has remained depressed, a[illegible] glass fibre re-inforcement whe[illegible] there is now European ov[illegible] capacity.

These were compounded [illegible] the lorry drivers' strike whi[illegible] cost the company an estima[illegible] £7m. Nevertheless the ov[illegible] seas performance and a rec[illegible] £38m in licence fees from fl[illegible] glass plants around the wo[illegible] helped push pre-tax profits by 26 per cent to £80.3m.

Reporting so soon after [illegible] Budget, and with difficult w[illegible] negotiations in train, Pilking[illegible] is giving little guidance ab[illegible] the coming year. Obviously [illegible] possibility of a "winter of [illegible] content" in the UK and a wo[illegible] economic slowdown makes [illegible] diction difficult. Analysts' [illegible] jections of pretax profits ra[illegible] all the way from £80m to £11[illegible] The bright view is that [illegible] energy crunch will help sales [illegible] double-glazing and fibre-gl[illegible] insulation.

Pilkington has neatly hopp[illegible] beyond the end of divide[illegible] restraint with a second inter[illegible] payment which will produce [illegible] 32 per cent rise in gross di[illegible] dend to 11.5p. Covered 4[illegible] times, this still leaves the yie[illegible] at only 3.6 per cent on [illegible] night's price of 323p.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.